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*"And ye shall know the truth and the
truth shall make you free."*

—John, VII Chap., Verse 32.

*"A correct definition is often half way
to the solution of any problem."*

—Wendell Phillips.

THE WIDE WAY TO A TRUE REPUBLIC

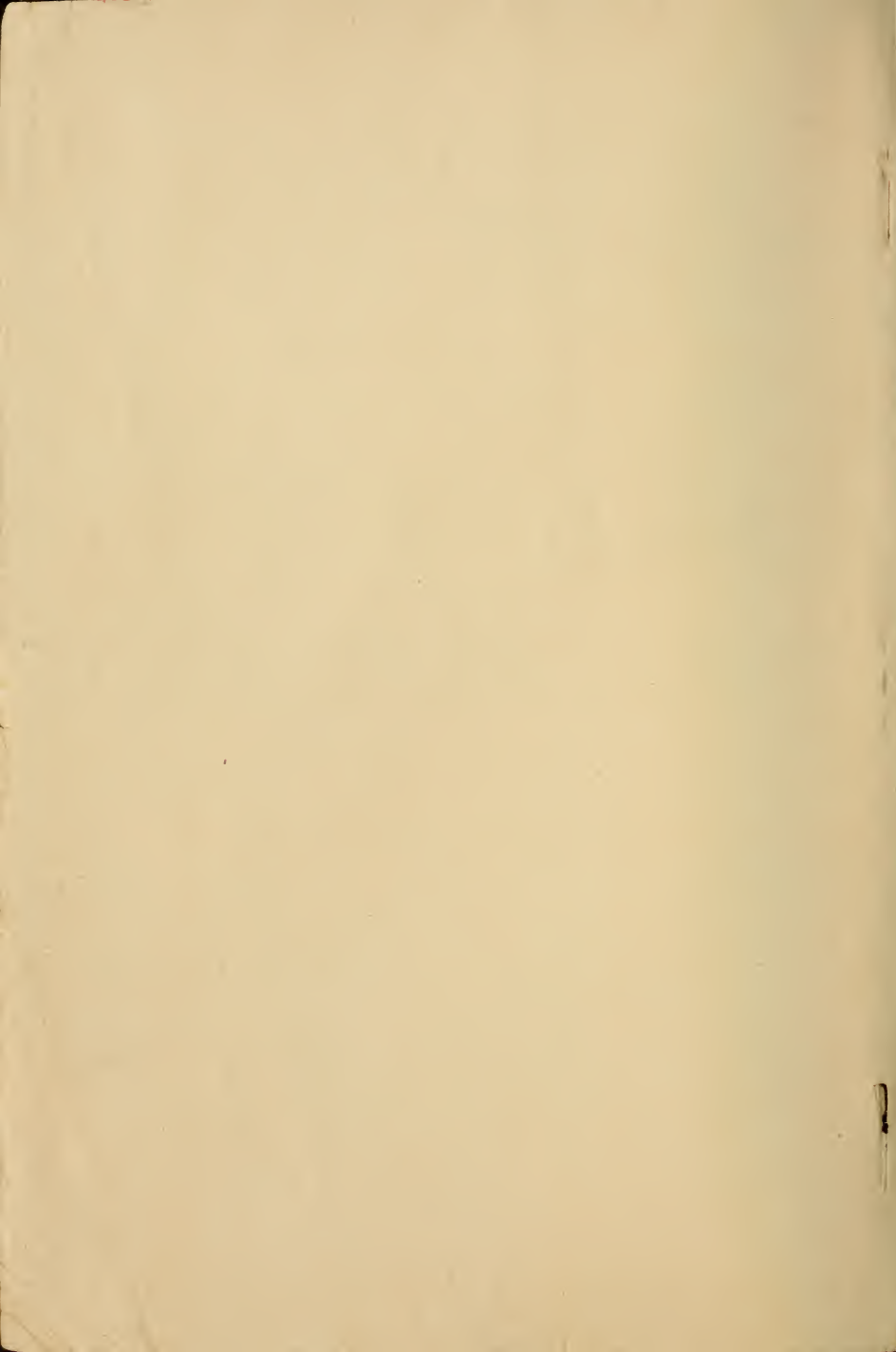
By

THOMAS JEFFERSON SANDFORD

Author of

"Lex Fori," "Move On Old Man," "Rules and
Suggestions for Public Speaking," Etc.

6th EDITION



THE LABORER'S CATECHISM

OR

The Wide Way to a
True Republic

BY

Thomas Jefferson Sandford,

AUTHOR OF "LEX FORI," "MOVE ON OLD MAN,"
"RULES AND SUGGESTIONS FOR PUBLIC
SPEAKING," ETC.

"I will speak out, I will be heard,
Though all earth's systems crack:
I'll not abate a single word,
Nor take a tittle back."

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1916



This little volume is dedicated to the memory of my father, John Sandford, whose love and advocacy of the truth have been so implanted in me, that, notwithstanding the social ostracism and the financial discrimination to which I have been subject at the hands of bankers in my native city, I have never failed to array myself on the side of every proposition which I considered true, without regard to the consequences.

THOMAS JEFFERSON SANDFORD.

"When great Galileo proclaimed that the world,
In a regular orbit was ceaselessly whirled,
And got not a convert for all of his pains;
But only derision and prison and chains:
'It moves for all that.' was his answering tone;
For he knew like the earth he could go it alone."

JOHN SAXE.

PREFACE

DURING twenty-eight years, I have struggled to impart to mankind the ideas taught me by a great genius, now deceased. In season and out, I have advocated a system of voting which would stop vote-buying, a system of collecting taxes which would stop tax-dodging, and a system of issuing money that would prevent money-cornering, devised by the late David Reeves Smith.

Although a member of the New York Bar and an ex-assistant tax-commissioner of Greater New York City, in neither of the old political parties have I been able to obtain a fair hearing in my efforts to explain said ideas.

With the hope that the truth-loving reader will perceive in this Catechism a practical solution, along the lines of natural justice, of the apparently intricate problem of Wealth-centralization, which is now so inimical to the welfare of our democratic-republican form of government, I have prepared these questions and answers.

Christopher Columbus spent eighteen years striving to interest some one with "**purchasing-power**" in his irrefutable theory, that the world was round. Finally he succeeded; and the discovery of a new hemisphere, which he gave to

royalty, was the result. But David Reeves Smith, (a practical Civil Engineer) immeasurably surpassed him, by showing mankind how, for the benefit of all, to justly use two hemispheres.

I believe that every right-reasoning-mind that reads these pages and considers the three principles of government herein described, as essentially ONE WHOLE FRAMEWORK, will be convinced that the most destructive features of all forms of government, to-day in existence, are the vote-buying of politicians, the tax-dodging of valuable wealth-monopolizers and the money-cornering of bankers. With these pernicious practices eliminated, the majority of our minor evils will dissappear and noble ideals, in the human mind, will be multiplied enormously, **without legislation**. The world will then take a stride along the road of Progress, which will bring happiness to humanity in a measure unknown to the most seraphic dreams of those departed good souls who have worked so loyally and conscientiously, while in this life, to promote the welfare of mankind.

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Second edition: New York, N. Y., May 5, 1914.
Third edition: Pittsburgh, Pa., Jan. 10, 1916.

Read this book twice, if you would see the "whole skeleton."

"Until the many know their own rights there is no hope that the few will surrender the advantages which superior intelligence gives them."—DAVID REEVES SMITH.

Equality of Natural Rights

LESSON I.

Has a man a right to life? He has.

Who is the judge as to whether a man has or has not the right to life? The whole people of the nation, of which he is a member, acting duly and regularly in the expression of their will.

What is your reason for affirming a man has a right to live? The nature of things and the inherent desire to live of all rational beings, force me to conclude that a man has a right to life except, when society decrees that in order to more effectually preserve the lives of the many, the single life must be forfeited. But when society is justly organized, no crime will be committed which will justify the imposition of the death penalty.

What do you mean by the nature of things? The fitness or adaptability of one animate or inanimate thing on this earth to another. The fitness of grass and trees to grow on our globe's crust; the tendency of water to flow down hill or to its level; the capability of sand to fit into and around a rock; the tendency of this earth to move on its axis and around the sun; the disposition and ability of man to sustain himself by devouring the products of the soil; the proneness

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of plants to seek light; the aptitude of male and female to consort; the tendency of lakes and rivers to fill up with sediment and a thousand and one other things.

If a man has a right to live according to the consensus of civilized humanity, what other right is essential to a man's enjoying and exercising his right to life? The right to the MEANS OF LIVING is indispensable to the right to life.

What are the means of living? Air, land, water, sunshine, etc., and a voice in the management of any material thing which has not been created by individual or collective man.

How can the means of living be justly enjoyed by all mankind so as not to impair, in the smallest degree, the "natural" rights of any individual? By adopting a system of ownership, which when applied to the MEANS OF LIVING, will not unjustly exclude anyone and will assure every person an equal opportunity to use the MEANS OF LIVING as each sees fit, without abridging or interfering with the natural rights of anyone else.

Are all men born free and equal? They are not.

Why are they not? Because different environments make men physically and mentally unequal.

Explain what you mean. When a babe is born, in an unhealthful climate, on barren soil, of famished and imbecile parents, possessing weak minds and diseased bodies, it is not the equal of a babe born in a healthful climate, on fertile soil,

of well fed and intelligent parents, possessing bright minds and vigorous bodies.

What did Thomas Jefferson mean when he wrote in the preamble to the Declaration of Independence "that all men are created equal?" He intended, undoubtedly, to say "that all men were created with an equal RIGHT to life, liberty and the pursuit of happiness." He was too intelligent to write "that all men are born with equal ability." The offspring of the lowest beggar is not, generally, the equal, mentally or physically, of the child born of intelligent, healthful and industrious parents who live in a state of comparative independence; yet, the beggar's child has as good a right to life, liberty and the pursuit of happiness, as the son or daughter of the proudest prince in the world.

How can the babe of a beggar and the offspring of a prince each enjoy its equal right to life, liberty, and the pursuit of happiness, which include the MEANS OF LIVING? By establishing a system of OWNERSHIP under which it is recognized, that all real and personal property is commonly owned property, and that no real or personal property is the exclusive property of any private individual, as against the government, when acting duly and regularly as an agent of the whole people.

LESSON II. OWNERSHIP.

Who owns this world? The whole people at present living on the globe own this earth and every part of it.

What do you mean by the term Ownership? The ownership of a thing is "the right to use the thing."

Does each generation own this earth separate from and independent of succeeding generations? They do not. Each generation owes it to the succeeding generations to do nothing with this sphere which will abridge or hamper the succeeding generations' right to use it.

By what term in the science of political economy is the land, air, fire, water, and various other natural or artificial elements, entering into the composition of the world (excluding humanity), correctly described? By the term Wealth.

What is Wealth? "Wealth is anything which may be used or utilized."

Why so? Because mankind is generally agreed that those things should be classified as Wealth which are useful to it. Wherever we find a human being who has an abundance of useful things we invariably speak of him as "wealthy."

What is the essential property of Wealth? Utility.

What is Utility? "Utility is that which satisfies a desire or supplies a want."

Is all the Wealth on this globe owned? Yes. It is owned by the whole people now inhabiting this sphere.

Have dead generations, or any member of them, any right to bind with obligations the present generation? They have not. That is, dead generations have no right to prescribe the man-

ner in which living generations should use the wealth of this earth.

Why not? Because the living generation cannot be justly bound by any contract in which they have exercised no consent, any more than we of the present generation can justly burden and limit the rights of coming unborn generations.

Has not this generation a right to make an improvement which will extend into a succeeding generation? It has, but the improvement should be performed with the labor of this generation. This generation has no right to mortgage or direct the labor of a succeeding generation any more than the dead citizens of Athens had a right to tell us how and at what we, of this generation, shall labor.

By what term is Wealth which is owned correctly described? By the term Property.

How is the Ownership of this earth naturally divided? It is naturally divided into layers of Ownership, the highest of which is that vested in the whole people of the earth, who own the entire globe. The next highest Ownership is that vested in the people of a nation, who have the highest right to use (own) all the real and personal property within the jurisdiction of the nation. Within the United States, next to the Nation's ownership-layer, is the Ownership of each separate state, which is always subordinate to that of the Nation. Next under State-Ownership is County-Ownership which is subdivided into City or Town Ownership, which, in turn, is

composed of Ward-Ownerships; and Ward-Ownerships are divided into individual Ownerships. Individual-Ownerships, which are inferior and subject to all the higher Ownerships, are divided into Ownerships according to the lengths of the terms; as, for life, for years, for months, for weeks, for days, etc.

Who owns that rock lying in the road? The whole people of the earth.

But the whole people of this earth cannot approach the rock, let alone use it. True. But they can justly decide what individual shall own or use the rock, by enacting a law, duly and regularly, decreeing that the person who will pay the rent on the highest valuation of the rock into the public treasury is the person who shall use it.

Why pay the rent into the public treasury? Because the whole people of the world own the rock.

Why not, then, pay the rent for the rock into the treasury of the world? Because there is as yet no public treasury of the world and, besides, each nation has so many rocks of its own that it does not care about the use of one such rock as that in the road, which has little or no value.

Is the ownership of the land and everything which comes from it the same as the ownership of the rock? It is; and every piece of rock, wood, iron, land, gold, air, water, sunshine, moonshine, or the whole of such things on this globe, belongs to the whole people; and every individual on earth owns an undivided share in these things, just as tenants-in-common own real property un-

der statute law. As these things cannot be divided into infinitesimal particles and the particles given to each individual owner, the ownership of each individual is respected and exercised when any of these things is rented out fairly to the highest bidder and the rent expended in public improvements for the benefit of each individual owner in the Nation.

How can the various Ownerships of individuals, districts, cities, counties, states and nations be reconciled and enforced? By requiring each subordinate ownership to give way, when it interferes with the exercise of a higher ownership, and by compelling every individual owner of wealth (which is anything useful) to pay rent or public taxes, annually, at a two per cent rate on the full value of the wealth he is using or owning, into the public treasury.

Would requiring an individual owner to give way to the ownership of the town or some other higher ownership, effect the individual-owner a hardship? It might, in some cases; but as the basic principle of our form of republican-democratic government is "doing the greatest good to the greatest number" the individual's welfare must be subordinated to the welfare of the greatest number. Yet, wherever an individual is effected an injury, in this manner, he is entitled to reasonable compensation by due process of law. "Private property is at the same time common property."

Can the private ownership of property be justly abolished? It cannot.

Why not? Because private ownership is the right of an individual to use some part of the common estate on which he should pay a two per cent tax or rent on its full value; but such private property is always subject to the people's higher right to take said property for public purposes, at any time, provided said individual is duly and regularly compensated therefor.

Does every man "naturally" own any part of this earth as much as any other man? He does.

Does each man own all this earth as much as any other man? He does.

Can one man justly own more of this earth than another? He can, provided he pays higher public rent or a two per cent tax on a higher valuation of it, than what any other man or men can or will pay to the people for the property.

Can this earth be divided so that each man can get his equal physical share? It cannot. But it can be divided on a BASIS OF VALUE, in such a manner, that each man can get very nearly the exact share of the valuable earth to which he is naturally and justly entitled, according to his ability to pay public rent or taxes on the full value of the quantity of the people's wealth which he desires to use.

What do you mean by the use of the term Value in such a division of the earth? I mean PURCHASING-POWER which may be described as a relation between men and property.

Are Value and "purchasing-power" identical? They are.

Can you further elucidate "purchasing-

power”? Purchasing-power shows the relation between the owners of property on one side and the not-owners of property on the other side, in their efforts to obtain possession of the property. The greater the advantages to be derived from the possession of the property by its owners, the greater is the purchasing-power exercised by said owners, and **vice versa**. Any property which is high in purchasing-power enables its owner to accomplish his purposes, such as making contracts with laborers or obtaining possession of other property, with much more ease than can an owner of property which is low in value. While it may be good for an individual-owner to have the things he owns high in value, it is not good for those who own none of such things. “Whoever has anything scarce and desirable, which another is willing or able to buy, has **purchasing-power**.”

Is high purchasing-power or value good for all owners of property? It is for the owners when they are few in number, but if everyone possessed an equal quantity of valuable wealth it would then make no difference, whether or not the purchasing-power of property was high or low. As it is impossible to enable everyone to possess an equal quantity of valuable wealth, for any conceivable length of time, it is better for the majority of mankind to have the “purchasing-power” of property low; otherwise, the scheming, grasping, and provident part of humanity will exercise too great advantages over their fellow

beings, who are less scheming, grasping and provident.

Is high purchasing-power good for the not-owners of property? It is not.

Why not? Because when the not-owners of high-purchasing-power-property desire to use any, they must give a greater quantity of their labor or useful articles produced by them, in order to get the high purchasing-power-property, than they would were the purchasing-power of the property low. The less the not-owners of purchasing-power-property are compelled to give for useful things, the more easily can they supply their wants and satisfy their desires, which are among the chief purposes of humanity's existence.

By what is the "purchasing-power" of the owners of property effected? By the supply of the property; the difficulty of obtaining it; the desire to possess it and a great many other things.

Do the owners of property strive to keep the value or purchasing-power of their property high? They do, with very few exceptions.

In what manner? By limiting the supply of their property to the laborers, as many landlords do, in refusing to sell their land at a low price, measured in either money or labor, or to lease it at a low rent. Coal-lords, oil-lords, iron-lords, food-lords, wood-lords, machinery lords, money-lords, etc., also limit the supply of their valuable property in the same manner.

How can the value or purchasing-power of

property be reduced? By establishing a form of government under which no one owning real or personal property can hold it out of use, without annually paying the people a two per cent rent or tax on its full value.

How could you make it unprofitable for a person to hold property out of use? By taxing the owner of the property on its full value, whether it was in use or not.

LESSON III.

VALUE AND PROPERTY.

Is it just to tax property on its full value when it is bringing in no revenue? It is.

Why so? For the reason that taxing property, or rather the owner of property, at its full value either forces the owner to employ it in such a manner that it will bring in a revenue, or the owner will be compelled to turn the property over to some one who will employ it to bring in a revenue, or, at least, it will save someone from paying a third person a revenue.

Does the value of property measure or take into consideration the revenue being derived from the property by the owner? It does and more. It takes into consideration not only the revenue being derived, but also the revenue that might be derived from the property.

Would the full value of the property show to what extent the owner of the property was enjoying advantages over those who possess no such property? It would.

In what way? For example: suppose that Mr. "A," on an ISOLATED ISLAND, had a cellar full

of bricks and his neighbors had none. The value of the bricks or the purchasing-power exercised by Mr. "A" would be exactly equivalent to the value of the things the neighbors would be willing to give to "A" for all the bricks; but should the neighbors begin to supply themselves with bricks from some other source, the value of "A's" bricks would commence to diminish and continue to diminish in purchasing-power, until the neighbors had obtained all the bricks they required; then the bricks in "A's" cellar would be very much lower in value or purchasing-power; consequently "A's" purchasing-power exercised through the ownership of the bricks, would be very much reduced. In this way the advantages which "A" at first enjoyed by his high purchasing-power through the ownership of the bricks, would be displayed in their high value, and the diminished advantages would be shown in the lower value of the bricks, within "A's" cellar after the neighbors had supplied themselves with bricks from another source.

Would the fall in the value of the bricks make them any less useful? The reduction in the purchasing-power exercised by "A" through the ownership of the bricks, would make them less useful as CAPITAL with which to engage in a mercantile or industrial enterprise. But so far as satisfying a man's need for houses or supplying his want for shelter, they would be none the less useful.

Do all things possessing the attribute of utility always have the relation expressed by value?

They do not. Air for instance is very useful but it has no value.

Why has air no value? Because the supply of air is unlimited and, up to the present, no man has been able to fence it off or reserve a part for himself or others, or to keep enough of it out of use to force others needing air to suffer for the want of it; as the owners of land, oil, coal, wood, flour, sugar, etc., do with the latter articles. Air in its natural state, heretofore, has not been monopolized so as to reduce any person's supply of it.

But, am I not paying more rent for the room I occupy on the front street, than do the tenants pay for the rooms they occupy in the rear, where the air is not so good? While you may give more rent for your room and on that account have access to better air than the occupants of rear rooms, you pay the extra rent because of the location of your room and its equipment. You can go into the street any time and obtain all the fresh air you need or desire for nothing; but to occupy a particular room owned by your landlord, you must pay the landlord's price, because the supply of rooms is kept small by tax-dodging on the part of the owners of rooms and the owners of other valuable wealth who frequently object to the supply of rooms becoming so plentiful as to enable such room-renters as you, to have rooms of your own, and, much less, whole houses. If the landlords and other lords were forced, by law, to pay the people a two per cent annual tax or rent on the full value of their houses, lands,

and on all their other real and personal property, the land would have more houses on it; people would not be so closely crowded in cities; labor would generally employ itself; and you would not be forced to rent from any one; but you could, if industrious and provident, own land enough and have building material enough to erect a home for yourself.

Has not the landlord a just right to charge me rent for the use of a room in the house he has built himself? He has. But the landlord must not be permitted to forget that the land on which the house stands is the common property of the whole people and that the wood, brick, or stone, out of which the house is constructed, came originally from the earth, which is, admittedly, the common property of the whole people; ("The people of this state, in their right of sovereignty, are deemed to possess the original and ultimate property in and to all lands within the jurisdiction of the state; and all lands the title to which shall fail, from a defect of heirs, shall revert, or escheat to the people." Constitution of the State of New York, Article I, Sec. 10.) consequently, everything taken from the earth is also the common property of the whole people. The landlord has no more title, in justice, to the wood in the house than you, unless the landlord pays rent to the people or their governmental servant, on the full value of the commonly owned land, wood, bricks, nails, sand, and everything else, entering into the composition of the house. If your landlord, all other lords, and valuable wealth-owners,

were to pay the people the latter's rent on the full value of the people's property, the value of all kinds of property would become so low, generally, that you, provided you were industrious, and provident, would not be long in obtaining possession of a home of your own, in which you could have so many rooms supplied with fresh air and sunlight, that no one would be enabled to charge you excessive rent for a single room, because it has a window through which you can look and breathe directly into the front street.

What has the greatest influence in determining the rent charged by landlords for the use of their houses? The law of supply and demand as reflected in the value of houses. If houses (and landlords) are few in proportion to the demand, the rent is high; if houses (and landlords) are many in proportion to the demand, the rent is low. Consequently, those houses which bring their owners high rents are high in value, generally; and those houses which bring their owners low rents are low in value, generally.

Is it just that a landlord should charge a tenant any more for the use of a house than what is sufficient to compensate him for repairing and restoring it to its original condition? It is.

Why so? Value is the important institution or relation through which the people express their desires for different articles. If the value of hats is A and the value of trousers is $2A$ and the value of shoes $3A$, labor in the just state of society which I propose to describe, will employ itself at producing shoes ($3A$) in preference to

producing hats (1A) or trousers (2A), until the supply of shoes is so increased, that their value falls to 2A. Then the major part of labor will fluctuate between work at producing shoes (reduced to 2A) and work at producing trousers, until the supply of shoes (reduced to 2A) and trousers (2A) is so increased, that the value of shoes and trousers will fall to A, the value of hats, after which labor will fluctuate between producing hats, shoes and trousers at the value of A.

Labor, when not interfered with by tax-dodging monopolizers and money-cornerers, naturally engages itself, by contract or otherwise, at making things which are high in value, in preference to making things which are low in value. If labor is given fair play by being permitted access to the land, machinery, etc., at nearly as low a rent as the rent or tax paid by the rich monopolizers and tax-dodgers to the state, laborers would be generally working for themselves and would not be engaged at slavish toil for tax-dodging capitalists, as is too frequently the case under our present social organization.

Were the tax-dodging owners of land, houses, mortgages, machinery, railroads, oil-wells, coal mines, patents, contents of grain-elevators and cold storage plants, etc., compelled to pay annually to the national government a two per cent tax or rent on the full value of the various kinds of wealth which they are monopolizing, the tax-dodging owners of such wealth would abandon or sell the greater quantity of the valuable wealth

which they now hold—some of which they are using and some of which they are not. Industrious laborers or workmen, would then take possession of the abandoned part (on which the idle rich could not pay their annual taxes or the people's rent on the full value) and employ themselves.

When the industrious laborer is given equal opportunity in the competition for the use and possession of the people's valuable wealth, the intelligent and industrious laborer will be the person who can pay into the public treasury, the highest annual rent for the use of real or personal property, and not the rich idler (or corporation) who generally collects from the users of wealth much more than what he pays to the government in the form of taxes, keeping the excess, above a reasonable compensation, for himself; as is the case under our present organization of society.

But you have not answered, responsively, my question about the landlord charging more for the use of a house than that which will suffice to restore the building and keep it in repair. I assert that the landlord should charge no more than what is necessary to repair and restore the house to its original condition? The wear, tear, repairs, etc., will be adjusted by the landlord in the rent charged for the building, which rent is regulated, generally, by the value of the building and the number of persons desiring to occupy it. If the house has no value it cannot be rented; and the landlord cannot get back even his expenses for the wear, tear, repair, etc., much less any profit. Therefore, the landlord is justly en-

titled to something more than what will suffice to offset repairs and other expenses, viz., a reasonable profit, which is the landlord's wages.

But don't you know that the great owners of valuable wealth in this country have substantially annulled the laws of value, by regulating the supply of useful things to suit their own purposes? I do.

What can you do to prevent the rich owners of valuable wealth from regulating the supply of useful things? I shall answer that question in a subsequent lesson, when I shall explain a system of collecting taxes, under which, the owners of large or small quantities of valuable wealth, can not avoid the payment of taxes or public rent, on the full value of their property.

Have you any respect for the "rights of property"? I have the greatest respect for the rights of property-owners and am most fastidious about their enforcement; but because a man originally came to this country; ascended a high mountain; claimed all the land within sight; wrote of it a description which he filed in a County Clerk's office; or probably notified the Holland Land Co., King George or his agent, I do not believe it is just to permit him to hold such property in idleness or to use it only in part, without paying, annually, the people's taxes or rent on the full value of it; while his fellow-beings suffer for the want of such land and the things taken therefrom.

Are you not an advocate of the single-tax-doctrine? I am not; although I believe that only

one single annual (two per cent) tax or rent on the full value of all real and personal property should be collected by the nation from its owners.

Why are you not? Because "single-taxers" are men who believe that the full value of land, only, should be taxed; whereas I believe that the full value of everything taken from the land or made from the land should be taxed, as well as the value of the land itself. The value of land, the value of machinery, the value of houses, the value of a ton of coal, the value of a dollar, and the value of every material article having value, is exactly the same thing, namely, "purchasing-power." If it is just to tax an acre of soil on its full value in order to destroy any monopoly in the acre which the owner may enjoy; it is also just to tax a machine (which is enabling its owners to throw a thousand workmen on the human scrap-heap) on its full value in order to destroy any monopoly of the machine which its owner may enjoy.

The single-tax theory would also permit a man to take from the ground a large and valuable nugget of gold on which (when in the ground) he had paid taxes while it had been assessed only as farm land, without his being required to pay taxes thereafter on the nugget's full value, as it stood in his shop; leaving, thereby, for the people to tax the value of the empty hole made by the removal of the nugget.

* The single tax theory would permit an owner of oil-land to pump the oil supplied by nature out of an oil-well into a tank, and then pay taxes

on the value of the empty well; while the owner and monopolizer of the oil in the tank, would escape the payment of a tax on the full value of the oil in the tank, and for which he could charge an excessive price to the consumers of oil.

LESSON IV.

WEALTH AND CAPITAL.

What is the difference between capital and valuable wealth? Substantially no difference—for the reason that all wealth having value may be employed as capital, and all capital (which is invariably wealth with value, used productively) may be used as wealth; although the term “capital” can be correctly applied only to that wealth which is “accumulated purchasing-power” in reserve.

Is a house, a machine, or an acre of soil, capital? They are if each is capable of conferring purchasing-power” on its owner.

Is there any capital on this earth which has no value or “purchasing-power?” There is not. Capital ceases to be capital the instant it will not confer “purchasing-power” on its owner.

What is a capitalist? Any person who owns anything which confers “purchasing power” on its owner.

Then a man who owns a hammer and a saw is a capitalist? He is a small capitalist, if such tools confer “purchasing-power” on their owner.

According to that, nearly every one owns some capital? Almost every one does. Very few people are without some capital, but the owners

of large quantities of capital have so much "purchasing-power" at their command, that they exercise enormous advantages over the owners of small quantities of capital, when the former are competing with the latter, in the making of contracts.

Is air, land, water, wood, stone, or sunlight, ever capital? Whenever they have the relation expressed by value, they are capital.

Could capital be taxed so heavily as to destroy its value? It could; but it would thereby be rendered useless as capital; yet it could still be of use as wealth.

What would be the result if capital were taxed so heavily as to destroy its value. No one would want it for the purpose for which capital is used. It would be abandoned and not used to assist enterprising laborers in increasing the supply of useful things and the luxuries which humanity desire.

Is it just to excessively tax capital? It is not.

Why not? Capital is always some useful thing which confers on its owner "purchasing-power" and is generally accumulated so that it can be used to greater advantage in commanding the services of toilers or the valuable property of other owners. It is generally employed to increase the supply of useful and ornamental things desired by humanity. To make its owners pay any more taxes or rent than is exacted from the owners of any other kind of wealth, having value, and not used as capital, is discriminating against the enterprising who are gen-

erally "capitalists" or the owners of capital. Because capital is **capital** or confers "purchasing-power" on its owners, is no sensible reason for taxing it any more than other valuable wealth which is not used as capital. Taxes should be imposed only on **valuable** wealth or capital, according to the "purchasing-power" exercised by the owners, which shows, without exception, how badly those who have not the valuable wealth or capital, need it; and also the extent of the advantages enjoyed by the owners of capital or valuable wealth.

What is the difference between "contracting power" and "purchasing power"? Any legally competent person has "contracting power," but to have "purchasing power" said competent person must own some more or less desirable thing, which has the relation described by the term **value**, and which is more or less scarce. "Purchasing power" is always ability to buy.

Is the value of some things ever out of proportion to their utility? Very frequently it is.

Can you give any examples? Yes. For instance: the value of homes have increased out of proportion to their utility. When this country was first settled in colonial times, an ordinary man could obtain allodial title to a simple home by laboring one or two months; and in some instances, where land was free, obtain a home site without any labor, but to-day, the great majority of ordinary men cannot, each, obtain allodial title to a simple home by laboring several years; and in some cases a long life of

labor has not procured a simple home in this age of worry and nervous strain. A simple home is to-day no more useful, relatively, than was a simple home when this country was first settled; but because the land, stone, timber, and other things, in this country, are more extensively monopolized and artificially scarcer in proportion to the population, to-day, than they were when this country was first settled, the demand for homes has increased enormously. Consequently the value of a simple home, measured in average-day's-labor, is, to-day, very much above the proportion which the value of homes should bear to their utility.

Give another example. Take Mr. "A" who lives one mile from a spring of good clear water, which is free to any person who wants the water. If "B" carries a pail of water one mile to "A's" home and it takes "B" one hour to do it, "B" is entitled to some compensation for his services equivalent, on the average, to what any other average man could earn by working at something else for one hour. Now, if the average man working ten hours a day, could earn two dollars each day at something else, "B" could justly charge "A," twenty cents for carrying the pail of water from the spring to "A's" home. In this case, the value of the twenty cents would be, on the average, about equivalent to the utility of the pail of water delivered to "A" at his door; but if some so-called "captain of industry" or corporation (which, with very few exceptions, is a "special privilege monopolizer") were to take possession

of the spring and compel "B" to pay one dollar for a pail of water, and "B" after paying the dollar were to charge "A" one dollar and twenty cents for the pail of water and the carrying of it from the spring to "A's" home; in this transaction the value or "purchasing-power" of the pail of water, would be above and out of proportion to the utility to "A" of the water in the pail, provided the circumstances continued the same.

How are the vast majority of fortunes in this country made?

By forcing the value of (or "purchasing-power" exercised by the owners of valuable wealth) valuable or not valuable wealth, very much above that value, which is commensurate with the utility of the wealth.

How could the vast fortunes held in this country and other countries be reduced? By the national government collecting a two per cent annual tax rate or People's Rent on the full value of all valuable wealth whether great or small in quantity.

What would be some of the effects of the imposition of a two per cent annual tax or rent-rate on the full value of all valuable wealth or capital?

It would greatly reduce the monopoly of valuable wealth and materially prevent speculation. It would also force the owners of used and unused valuable wealth, to actively employ their wealth to the best advantage and to refrain from holding out of use any valuable wealth, for the purpose of compelling not-capitalists or poor laborers to

give a large proportion of their labor or its products, at some future time, for the permission to support themselves. It would also have a strong tendency to force people from large and densely populated cities into small communities more sparsely settled and more independent; because of the reduced value of land and other necessities, in the smaller communities.

What effect would it have on farming? It would attract more persons to agriculture, the only industry that can supply adequate compensation to its votaries, without fear of over-crowding. It would also enable the city-worker, if he so desired, to employ himself on the soil, which the land-monopolizers would be forced to sell at greatly reduced prices; because of the land-monopolizers inability to pay the two per cent annual tax on their property's full value. It would also compel the farm-machinery trust to throw on the market the valuable machinery and patents which they now hold out of use, by paying thereon little or no taxes; it would also prevent avaricious farmers from holding in their barns and granaries untaxed food, for the purpose of keeping up the price of their produce, and it would compel grain-elevator and cold-storage-plant owners, as well as the owners of food in ware-houses, etc., to pay so much taxes on the food they were monopolizing or holding out of use, that there would be but little profit in their monopolizing.

Would you tax stolen wealth on its full value the same as honestly acquired wealth? I would.

Why? Because the important part of stolen wealth is not its owner's illegal title, but the "purchasing-power" exercised by its illegal owners. The honestly and dishonestly acquired valuable wealth would alike finally revert to the State in fifty years, on the average, if a two per cent tax on its full value were collected annually from the honest and the dishonest owners. If all wealth, in the United States, were taxed on its full value, at a two per cent rate annually (excepting money, and homesteads exempt to the amount of \$2,000), valuable wealth would be so low in value that very few things would be stolen. Crime invariably increases as food, clothing, and shelter, become higher in value or more difficult to get; and crime decreases, when food, clothing, and shelter, become less valuable and therefore less difficult to get.

What other effects would a two per cent tax on the full value of all wealth with value (excepting money and the \$2,000 homesteads) have?

It would reduce enormously the revenue of valuable-wealth-monopolizers and remove a great part of the incentive to accumulate excessive quantities of valuable wealth, for the purpose of collecting present and future incomes therefrom.

How could you make the owners of valuable wealth pay their taxes or public rent on the full value of their property? By compelling, through the enactment of laws, all real and personal property-owners to record their property in an assembly-district recording-office, under the penal-

ty of forfeiting the unrecorded property to the first legal citizen who discovered the property unrecorded, and who would subsequently record said property in his own (the discoverer's) name.

How could you make the owners tell the truth about the value of their property? When every person owning real or personal property is required by law to record it in an assembly-district-office under penalty of forfeiture to the private citizen discovering the unrecorded property, there will be a **REAL PROPERTY LIST** and a **PERSONAL PROPERTY LIST** in each recording office. On each of these lists, the property-owners should be directed by law, to place a valuation on each recorded piece of property, or the price in "just money," at which they would be willing to sell it. At whatever price they mark their property for sale, they should be required to pay taxes on that price or assessment, and be prepared to deliver it to the first person who would offer them the recorded amount, in money (cash), for it. In other words: the owners of real and personal property should be forced by law to sell their property at a low price measured in just money; or else pay taxes on its true valuation. When said owners have paid taxes on the true valuation of their property, they can not hold much out of use or retain possession of any property they are not profitably employing. When our mammoth stores really mark down their prices of merchandise, the "bargain-hunters" increase in number as the prices are marked down; so would it be with the "tax-dodgers," if they

were compelled by law to sell their property at the valuation on which they are now paying taxes.

Would not a law of that kind confiscate some person's property? It would when such persons are striving to hold real or personal property at too low a valuation for the purpose of tax-dodging.

The government of the U. S. in order to force importers to tell the truth about the value of the goods they are importing, is obliged to confiscate all property valued, in the Bill of Entry by the importers, at less than fifty per cent of its true valuation. The U. S. Government also confiscates any imported article not recorded in the Bill of Entry.

Radical diseases require drastic remedies. It is by the means of this "Ownership Record Law" and this "Self Assessment Law" that the rich owners of valuable wealth, who generally escape the payment of taxes on the full value of the wealth they own, can be prevented from regulating the supply of useful things to suit themselves. The public eye should be turned on the tax-roll, as the passengers on street-cars are forced to look at the "fare-registering-dial," when a conductor "rings up" a fare.

LESSON V.

MONEY AND EXCHANGE

What is the difference between Wealth and Utility? There is substantially no difference. Wealth is anything that is useful; consequently

all things that are useful are Wealth. "Utility is that which satisfies a desire or supplies a want;" Wealth satisfies desires and supplies wants. Sunlight, moonlight, land, coal, wood, bonds, stocks, money, water, mortgages, etc., are useful, and to that extent are wealth. But stocks, bonds, money, mortgages, etc., to be useful must have some value; whereas sunlight, moonlight, land, coal, wood, water, etc., can be useful without value.

How is Wealth divided? Into two classes—Wealth which has no value and Wealth which has some value.

Name some things which are Wealth without value. Air, labor, sunlight, moonlight, some kinds of land, some varieties of water, etc., are examples. Because they are useful they are Wealth; but if they cannot be monopolized; if no one desires to monopolize them for the reason that they cannot be made scarce; or if they cannot confer "purchasing power" on their owners, they are without the relation which humanity recognizes by the term "value."

Can you name any wealth with value? Yes. Some kinds of land, coal, wood, bonds, food, water, money, diamonds, mortgages, etc., which are more or less SCARCE and difficult to get and which confer on their owners "purchasing-power," are a few examples of wealth with value.

Would mankind be better or worse off, if all wealth on this earth were deprived of all value? All wealth could not be deprived of all value. There will always be some land which will have

some value, because there will always be a scarcity of some kinds of land as compared with other land. For example, there has never been enough land to supply everyone with a centrally located farm, or enough high land, located on a lake or river bank, to provide all, who desire such, with a lake or river site, either for agricultural or residential purposes. There will always be some land more fertile than other land; there will always be some scarcity of some kind of personal property; and as long as a thing is scarce in proportion to the demand for it, the thing will have, to some extent, the relation known by the term value, and therefore all wealth cannot be deprived of all value.

Would mankind be better off if all wealth were deprived of 90 per cent of its value? They would.

Is some value in some kinds of wealth good for humanity? It is.

Why so? Because the value of some useful things serves to incite enterprising people to make or produce more or many of such things. Labor, as a rule, in the business world, does not make or produce useful things which have no value. The more valuable are certain things, the more is the tendency of labor to increase the supply of such things. Value also serves to justly determine who ought to occupy certain desirable pieces of land, by enabling the government (when it acts justly) to award such land to the person who will pay to the government, rent or taxes on the highest valuation, for said land or other valuable property.

Is permitting the person who will pay the highest rent to the government for the use of real or personal property the best system under which real and personal property can be owned or managed and yet respect the subordinate—individual—rights of all the people? It is.

Why so? Because renting out all the real and personal property to the highest rent-payer, prevents monopolizers from obtaining more than a just share of the people's valuable property. Monopolizers (who invariably object to paying full rent or taxes on the full value of their real and personal property to the people) could not then hold out of use, property for which other individuals (laborers) without such property, or possessing only a very small quantity of it, are willing to pay a higher rent to the government, which is simply the AGENT of the whole people.

Would this plan of determining TITLE to property be better than that founded on the favoritism of some monarch or on priority of application or discovery? It would.

Why so? Because kings are too often governed by intoxicants and lewd women, in selecting their favorites who, with few exceptions, are the least competent of all persons to employ real and personal property to its greatest advantage. Priority of application, discovery, or possession, is entitled to no consideration when the applicants for the people's property are willing to compete openly and fairly for its possession, by each offering the highest rent for it that he can afford to pay. But when several applicants desire the

same property and refuse to compete for the use of it, then priority of application, discovery, or possession, should be resorted to, in order to enable the first applicant, discoverer, or possessor, to use the property. In all competitive cases, the legal citizen who will pay the highest annual rent or an annual two per cent tax on the highest valuation of the property to the people for the use of the property, whether it be real or personal, should have it.

What would be the difference between an annual two per cent payment on the highest valuation of an acre of soil, and the highest annual money rent for said acre of soil? No difference.

Why not? Because, if a landlord were to rent an acre of soil to whomever would pay him the highest rent, he would receive the same amount of money, whether he let the acre on a two-per-cent rent, or tax on the highest valuation of the acre, or for the highest annual cash rent. Both cases would result in his receiving the same amount of money; for the reason that it would be exactly the same to the tenant, whether he paid on the highest valuation or gave the highest annual cash rent.

The tenant would calculate what amount of money he could afford to pay for the acre and would then calculate that said amount was two per cent on a certain valuation.

If he agreed to pay ten dollars a year for the acre, that would be the same as two-per-cent on a five hundred dollar valuation, which would be

the highest valuation on which he would agree to pay two per cent per annum.

Can one man fix the value of any useful thing? He can not.

Why not? Because the value of every useful thing is effected not only by what the owner demands for it, but by what others are willing to give in exchange for it and innumerable other things. Therefore, two or more persons must be present to contract before the relation, value, arises.

Can one man justly fix the price of any useful article? Not for the people, when they desire to take possession of it for public use, by giving to the owner compensation and proceeding according to due process of law.

Can one man (the private owner) justly fix the price for an individual? He can.

Why so? Because the price of a thing can be made high or low, between one man and another, by CONTRACT or express agreement, without regard to the value of the article, as effected by the demand for or supply of the article.

What is price? "When two things are exchanged, one for the other, each is the price of the other."

Can you illustrate by an example? Yes. Should I give my hat to a man in exchange for a dollar, the hat would be the price of the dollar and the dollar would be the price of the hat. Should I give an apple to a man in exchange for a potato, the price of the apple would be the potato and the price of the potato would be the

apple. The man with whom I have traded, bears the same relation to the potato that I do to the apple; therefore, "when two things are exchanged, one for the other, each is the price of the other."

What mistake do many people make in their conception of the term Price? They believe that Price is something expressed in terms of money, only.

Is the transaction the same when COM-MODITY is exchanged for COMMODITY, as when COMMODITY is exchanged for MONEY? It is.

Why so? In the exchange of COMMODITY for MONEY, it is generally an exchange of one valuable thing for another valuable thing; and in the exchange of COMMODITY for COMMODITY it is also, generally, an exchange of one valuable thing for another valuable thing.

Is Money essential to the making of all exchanges in civilized nations? It is not.

Why not? Because a commodity can be exchanged for a commodity without any money; although the owners of the commodities generally examine the value of the commodity to be exchanged, and compare it with the value of some kind of money, before making the exchange. This is the reason why the most important function of money is to MEASURE VALUE, notwithstanding the assertions of some economists that the most important function of money is "to facilitate exchange." "Just money" measures the value of not only the things exchanged,

but also the value of many pieces of real and personal property, for assessment purposes, which have not been exchanged in years. Besides, in many transactions in which money is not used, the traders compare the value of the things to be exchanged with the value of money, before making the trade. Many exchanges are made without money, but few exchanges are made without comparing the value of the thing to be exchanged with the value of some kind of money.

With what is the value of all real or personal property in this country generally compared? With the value of the money of the United States which is composed of dollars and fractions thereof. This is another reason why many persons erroneously conclude that Price cannot exist only in relation to money.

Is Utility the chief incentive in making exchanges? It is not. Utility has much to do with inciting exchanges but the most important incentive to an exchange is the **VALUE** of the things exchanged, because each trader generally strives to give things with as little value as possible and to receive things with as much value as possible.

Does the money of the United States or of any other nation measure the value of the articles exchanged by merchants with any degree of justice or accuracy? It does not.

Why not? Because U. S. dollars and the coins of other nations fluctuate very much in value or "purchasing-power," due to the change in the

supply of or demand for them. When many U. S. dollars PER CAPITA are in circulation, their value or "purchasing-power" is comparatively low; but when few U. S. dollars PER CAPITA are in circulation, their value is comparatively high. As the owners of U. S. dollars (including the U. S. government), can hold out of circulation or freely pass into circulation U. S. money, the owners of dollars (including the government) can increase or decrease the supply of dollars (to the extent that they own them), and thereby cause the dollars to fluctuate in value or "purchasing-power," which makes it impossible for U. S. dollars to accurately measure the value of other things, which themselves fluctuate in "purchasing-power," on account of the increase or decrease in the supply of or the demand for such other things. Because the owners of money (including the government) sometimes freely circulate their dollars and sometimes do not, the change in the circulation-supply of U. S. dollars, causes a variation in the quantity of value or "purchasing-power" exercised by each money-owner, through his ownership of one or more U. S. dollars. This change in the supply of, or the demand for U. S. dollars, makes it impossible for a U. S. dollar to possess an exact, fixed, or definite quantity of value, for any definite period of time; therefore, U. S. dollars can not and do not, accurately, measure the value of land, hats, potatoes, beef, or any other commodity, which is itself changing constantly in supply or demand, any more than a yardstick, which changes ma-

terially in length, can accurately measure distance. It is the same with all other nations' money.

Would it not be well to have the U. S. government go out of the money issuing business? It would not.

Why not? Because the duty of the government is to regulate the supply of money and the value thereof, the same as its duty is to regulate the length of yardsticks and the number of ounces in a pound-weight. If private individuals were permitted to regulate the length of yardsticks, they would make them long when buying and short when selling; as bankers make the value of dollars high, when they wish to buy things, generally; and make them low in value, when they wish to sell things, generally.

Have you any plan under which a dollar that will not change materially in value can be issued? I have.

What is it? It is a system of issuing money under which the supply of dollars is based on the needs of laborers and under which the dollars cannot be cornered by private individuals. But the present fiscal policy of the U. S. government, which is directed and controlled in the interest of bankers and other professional money manipulators, is to increase or decrease the supply of money, chiefly in accordance with the needs or demands of speculators in Wall street, and similar places.

Will you explain your system of issuing money which cannot be cornered? I will in a

subsequent lesson. But, before so doing, I must remove from the mind of the average reader, many of the fallacies planted therein by a false system of political economy, now more or less taught throughout the world.

LESSON VI.

DEATH RATE RENT

Why do you fix the people's rent or public tax on the value of real and personal property at "two per cent" per annum? Because according to the best attainable statistics, this nation on an average extending over a number of years, produces annually two per cent more wealth than what it consumes. This surplus "two per cent" is what is left after the people have had their living, and it belongs to the whole people of this nation, for the reason that all the real and personal property in the United States (from which the products consumed and saved by the nation have been taken) is the common property of the whole people of this nation and should generally be enjoyed, collectively, by every United States citizen. This "two per cent" annual surplus of the products can best be returned to its rightful owners (the people) by expending it in the establishment of parks, hospitals, public highways, railroads, school-houses, etc., which can be enjoyed alike by all members of the nation.

Would you have the railroads controlled and operated by the government? Only in cases in which it has been demonstrated that private ownership of the railroads has been a failure,

would I have the government operate them. In all other cases, I would have them operated by private ownership; but subject to the control of the people, through a commission elected under the system of voting hereinafter explained. Railroad owners should pay the two per cent Death Rate Tax on the full value of their property, the same as other real and personal property owners.

Can you give any other reason for fixing the people's rent or tax at "two per centum?" Yes. Taking annually "two per cent" of the full value of all valuable wealth from all private individual-owners and putting it into the nation's treasury would establish a cash-fund or store of products which could be used in employing all who needed employment, and thereby make up the deficiencies in the wages of those unfortunate or improvident workers who were not obtaining their just share of the commonly owned real and personal property, on account of the shrewdness, enterprise, providence, parsimony or unscrupulousness of the class known as "large capitalists," who because of their talent and ability, under any condition of society, can generally take extraordinarily good care of themselves.

Have you any other reason for fixing it at "two per cent" instead of one, ten, fifteen, or twenty, etc., per cent? I have.

What is it? If this government were to take annually any higher rent, say four, six, eight, or ten per cent, on the full value of an individual-owner's private property, the amount left to the individual would be so small that he would be-

come discouraged and cease to produce more than that barely sufficient to support himself and dependents. It is the duty of a just government to encourage its subjects to make provision for adversity or the evening of life, and to discourage indulgence in the extravagance and improvidence generally characteristic of those who are provided with pensions. Excepting the aged and crippled, no one should ever be so poor as to be dependent on government bounty. Two-per-cent-rent annually, on the full value of all real and personal property, is so low a rate that the enterprising workers or capitalists would scarcely notice its subtraction from their wealth; whereas, any higher rate would be materially felt by the worker or capitalist. Less than two per cent annually, would not redistribute the accumulations of the "opulent capitalist class" fast enough to prevent the large capitalists from exercising too great advantages over the improvident workers and small capitalists.

Can you give any other reason for fixing the people's rent at two per cent? Yes.

Give it. Moses, one of the greatest law-givers that ever lived, discovered that, in a period of about fifty years, the scheming and industrious "capitalist class" would appropriate to themselves almost everything desirable, if they were not restrained in some way or manner. Consequently he (see Leviticus, chapter 25) decreed that the year of the Jubilee should come once in every fifty years, when the "capitalist class" were required to return, to the original owners, the lands and

homes they had taken from the original owners, by trading (legitimate contract or unconscionable bargain) with the thoughtless or improvident not-capitalist class. Taking "two per cent" each year on the full value of all real and personal property is a much better plan of distribution than that of taking, in each fiftieth year, all the property lost by the not-capitalist or small capitalist class and which had been acquired by the large capitalist class.

Why not use Moses' method of distribution now? Because the "two per cent" method of redistributing the lands, houses, etc., acquired by the "opulent capitalist class" is a material improvement on Moses' cumbersome plan, which must have caused a great breaking up of the fortunes or trade enterprises of the "opulent capitalist class" in one single year; whereas the "two-per-cent-people's rent" could be taken annually from the enterprising or insatiable capitalists or tax-dodging millionaires, without producing any jar to society, as it is now organized. In a period of about fifty years, approximately, one hundred per cent of the full value of all real and personal property (with the exception of the value of money and homesteads) acquired by the wealth-owners or capitalist class, would be taken from them by this "two per cent tax" and placed in the public treasury to supply a fund which would be returned to the disinherited, in the form of employment at making things to be enjoyed by the whole people. This would be a scientific redistribution of valuable wealth which would

cause no disturbance to society, and would work automatically—increasing as the value of the property taxed increased; and decreasing as the value of the property taxed, decreased.

What other advantage would result from the collection annually of a “two per cent rent” on the full value of all real and personal property, (with the exceptions heretofore mentioned) from the owners?

It would prevent the despoiled workers from having recourse to violence in order to get enough real or personal property to live on. In all old nations now existing on this earth, the impoverished class have been forced, at some time or another, to shed blood, in order to avoid starvation, at the very same time the rich tax dodgers were revelling in satiety.

Why do you except from taxation and levy under a judgment for debt, homesteads valued at \$2,000 or less?

Because no man or family should ever be permitted to become so poor, on account of their having no means of supporting themselves, that they are obliged to become a burden on society. When every family has a home which can not be taken away from it for the nonpayment of the people's “two per cent” rent (taxes), or the nonpayment of debts, every family will be, in this manner, guaranteed the permanent possession of enough capital to live, with the assistance of a reasonable expenditure of labor, in modest comfort. Then, it would not be necessary for the government to pension in old age those who had

been improvident in the vigor of their lives. Those who will not work should be exposed to the stings of poverty.

Would it be just to permit the head of a family to own a home equivalent in value to two thousand dollars and not pay his debts? It would.

Why so? For the reason that all creditors would soon learn not to give credit to the head of any family because he or she owned a two thousand dollar home. A creditor would not then expect to sell a home under execution, in the event of the head's failure to pay his or her debts. With homes exempted in this manner, no sensible merchant would give credit based on the \$2,000 home, or any part of it, to anyone. All credit given to a family head would, thereafter, be based on property owned by the head of the family in excess of the two thousand dollars. Homes above two thousand dollars in value, should pay public rent or taxes on the excess value and be subject to levy under judgments, duly and regularly obtained, for the non-payment of debts.

Why do you propose to exempt money from taxation? Because money should be permitted to flow uninterruptedly through the channels of trade, without its owners fearing any loss, by taxation. If money is taxed, however little, some of its owners will hide or refrain from using it openly and freely in trade or manufacturing enterprises and, as a consequence, interfere with the money supply and thereby have a tendency to change its value. Yet, claims or obligations,

such as debts, promissory notes, stocks, bonds, mortgages, etc., held by creditors against debtors, and payable in money, should be taxed according to the value of such claims or obligations; but no claim or obligation, such as a debt, note, bond, or mortgage, should be legal, unless recorded for taxation purposes, like any other personal property, in an assembly-district-recording office.

Taxing the actual money in possession of an individual would have a tendency to keep it out of circulation and make it scarce to enterprising persons who desired to engage in the production or manufacture of valuable useful things, thereby increasing the value of money, which would be disadvantageous to debtors and laborers. The government, only, should issue money, and private individuals, such as gold-owners and national bankers, should be forced to go out of the money-issuing business. But banks of deposit, exchange, savings, loans and discounts, should be permitted with rigid government regulation. In order to avoid doing injustice to either the lender or borrower, or the buyer or seller, the value of a dollar should be, at all times, the same.

Can you give still another reason for fixing the "people's rent" or public tax at "two per cent?" I can.

Give it. The annual death rate in the United States is about twenty persons in every one thousand or two per centum, when conditions are normal. If the property of those dying annually were taken by the national government each year, for the benefit of the whole nation, the U.

S. Government would acquire about two per cent of all the real and personal property in the United States each year, and in a period of about fifty years, on the average, would have possession of nearly all the real and personal property in the nation. Consequently, this government, provided it rented out all real and personal property to private individuals, at the "people's rent" or public tax (two per cent annually on the full value of all real and personal property), would be in the same position with regard to property, that it would be in, if it took, each year, all the real and personal property left by those owners dying annually.

Who discovered this Natural Law of Distribution? The late David Reeves Smith.

What did he call it? The "Death Rate Tax."

LESSON VII.

IMPORTS AND EXPORTS

Why do you lay so much stress on the term Value? Because Value is simply the "purchasing-power" exercised by the owners of valuable wealth and is the most important term or relation to be found in connection with the Tariff, Land, Labor, Money, Capital and Taxation questions.

Why is Value important in considering the tariff question? Because, all of our imports and exports are, generally, estimated according to their value, and the value of either imports or exports shows how, relatively, important the imports or exports are to the American people.

When many things are exported from this country, the supply of such things left for home-consumption is decreased, which has a tendency to increase the value or "purchasing power" exercised by the owners of the supply, remaining in the home market. When many things are imported, the supply of such things in this country is increased, which has a tendency to decrease the value or "purchasing power" exercised by the owners of such things in this country. As the majority of people in the United States are interested in having the value of the things they need or desire to use, low; no tax or other obstacle should be permitted to interfere with those owners of imports who are increasing the home supply of useful things, and thereby decreasing the supply's value, to home-consumers. But when an exporter is taking useful things away from this country and thereby decreasing the supply in the United States and, as a result, increasing the value of useful things to home consumers, he should be prevented as much as possible by being compelled to pay an export tax of twenty per cent on the full value of everything he exports.

But isn't a tax upon exports prohibited by the Federal Constitution? Yes. Article 1, section 9, paragraph 5, of the Federal Constitution forbids a tax on exports. But said paragraph is an unjust prohibition and should be legally stricken from the Constitution.

Why is a tax on exports prohibited by the constitution? Because the "merchant-class" of

the colonies, who had great influence in the Constitutional Convention, were engaged chiefly in exporting the products of this country to foreign nations; and they had the prohibition clause inserted, in order to exempt themselves from any export tax that might interfere with their exporting business.

Would not a tax upon exports decrease the quantity of things bought from us by foreigners and, consequently, decrease the employment given our American workers? It would. But work is not what our American mechanics or laborers want: it is the things they can procure by the means of the "purchasing power" they exercise through the receipt of their wages, whether in money or kind. What our laborers truly want is good food, clothing, shelter, luxuries, ornament, etc., low in value. Wendell Phillips expressed the idea, when he said: "Human progress shows itself in a fall of prices and a rise of wages."

Laborers can always get all the work they want by offering to toil for little or nothing, and if they would always so offer, they would never be without WORK during any season. If American workmen, including the soil-tiller, each produced one-half as much as they are now producing with the assistance of labor-saving-machinery (and received eleven-twelfths of their products as wages), they would be much better off than they now are; notwithstanding the great quantity of their time spent at toiling, while receiving for said toil, on the average, less than one-

fourth of the value of their labor-products, in the form of wages.

Why do the leaders of the old political parties deliberately force upon the people discussions of the tariff question without mentioning the importance of the term Value? Because they fear that a discussion of Value as related to the Tariff Question would precipitate a discussion of Value as bearing on the Land, Labor, Money, Capital, and Taxation Questions. Should the people once learn that the most important element in the examination and analysis of these questions is Value, they would not be long in discovering that value is "purchasing power" and that it is the "enormous purchasing power" exercised by the comparatively few owners of valuable wealth in this country that is effecting our American people (particularly the laborers) the greatest injury; and not the quantity of time spent by foreign laborers in making useful things to be consumed by or sold to Americans. The Tariff Question has been employed, year in and year out, to divert the attention of the American public from the more important topics—the Land, Money, Labor, Capital and Taxation Questions.

Why is this tariff question misleading? Because there is no Standard of Value in the world, with which the wages received by the laborers of different nations can be compared in "purchasing power." The laborers of the different nations are paid in different kinds of money; therefore it is impossible to determine what nation of the world is paying the highest wages, without taking into

consideration the comforts, hardships, expense of living, rents, railroad-charges, amusements, surplus at the end of a year, time unemployed, and a thousand and one other things, entering into the environments of the laborers of each nation.

Who are the classes that generally own the vast volume of our exports now being sent abroad? The same class that generally own our land, our coal-mines, oil-wells, railroads, machinery, banking establishments, etc., by the means of vast quantities of stocks, bonds, debentures, mortgages, and other obligations which are an overwhelming burden on our working people. The surplus of exports over imports now going abroad, annually, is not owned by American workmen.

Do you believe that taking off all the tax on imports or putting the tax on them higher, will relieve our American people from the oppression of the trusts? It will not.

Why not? Because with a high tax or no tax, on either our imports or exports, the monopolizers of the great quantities of valuable wealth, at home, in this country, will still extort from the laborer (unless taxed annually two per cent on the full value of the monopolizer's valuable wealth) the major part of his products, in the name of Rent for land or other property, Freight or Passenger Charges for the use of railroads; Rent or Interest for the use of money controlled by the bankers; extortionate prices for the necessities of life, etc.

How would you have the value of our imports

and exports justly measured? By a money based on an American Unit of Labor and not based on any yellow metal owned and controlled by the Pothschilds and their kind.

Would you not as the result of such a policy abandon the so-called "stable gold standard?" I would. But the so-called "stable gold standard" is anything but stable.

Would not such an abandonment be injurious to American workingmen? It would not.

Why not? Because the gold standard is controlled chiefly by the Bank of England and the Bank of England is controlled chiefly by the Pothschilds. This control enables foreigners to juggle with the value of our imports and exports and thereby do us, in trading, immeasurable injustice, which the superficial thinker can not see. Whereas, if we had a "standard of value" based upon a Unit of American Labor, we would be enabled to measure the value of all our imports and exports by our own "standard of value," and in this way discover that we are being exploited by great foreign capitalists, who own enormous quantities of American land, stocks, bonds, debentures, mortgages, etc., on which, Americans must pay the interest, dividends, etc.; as well as by opulent domestic capitalists. The man who does the weighing and measuring, between confiding traders, is prodigiously important; but much more so, is the banker or money manipulator who increases or decreases, when he pleases, the value of gold coins, or other money,

with which the value of imports and exports is measured.

When will you explain the money system under which Americans can accurately measure the value of their imports and exports and also the value of all domestic real and personal property, for the purpose of just taxation?

In a subsequent chapter. As soon as I have your mind in proper shape for a correct conception of the proposed Just Money, I shall explain it. I am leading up to it as fast as possible.

What do we generally receive in exchange for the great quantities of corn, wheat, beef, pork, cotton, etc., we send abroad? The rich tax-dodging-valuable-wealth-owners of this country, generally receive in exchange for our exports, expensive jewelry, ostentatious automobiles, precious stones, rare paintings, and letters of credit which are chiefly used by our American millionaires, tax-dodgers, etc., to supply themselves and families, when abroad, with entertainment, riotous living, and articles of ornament.

What else is done with our exports? They are used to satisfy the demand by foreigners for earnings or profits on foreign capital invested in this country, or to pay rents on the real and personal property in the United States owned by foreigners.

Is this investment of foreign capital in this country a benefit to our workers? Generally, it is not.

Why not? Because the foreign capitalist does not invest any capital (which is "accumulated

purchasing-power") in this country, unless the probability is, that he will take out of this country a good deal more "purchasing-power" than what he has put in. When a foreign capitalist invests one ounce of gold in this country, he generally takes back many ounces of gold or their equivalent, in "purchasing-power" before the elapse of many years. If our government would properly and justly regulate the supply of money, we would never be required to go in debt for any foreign capital; but would always have all the American owned capital or "purchasing-power" we needed.

What famous statesman and philosopher who lived about six hundred years before Christ, understood the necessity of making it difficult to export his nation's products, in order to promote the general welfare of his people? Solon, the learned Athenian.

What did he do with regard to taking useful things out of his country? In "Plutarch's Lives" it is written: "Of all the products of the earth, he (Solon) allowed none to be sold to strangers, but oil: and whoever presumed to export anything else the Archon was solemnly to declare him accursed or to pay himself a hundred Drachmas into the public treasury."

LESSON VIII.

THE LABORER AND THE TAX-PAYER

What class in the United States in the last analysis pays all the taxes? The laborers who

make or produce all the useful things used or enjoyed by all the classes.

How do you prove your assertion? By the following example: if we could place all the useful and luxurious things made by the manual workers throughout the United States, during a single year, in one centrally located pile, and in charge of Uncle Sam, the colossal heap would disappear in quantities, which would be removed from the pile, by bankers, office-holders, railroad-kings, brokers, lawyers, merchants, mine-owners, income collectors, real or personal property owners, and other similar classes, who in many instances, after providing extravagantly for themselves, would leave only a small remainder of the useful things to be consumed by the laborers; and if there were enough left to sustain the laborers, well and good; if not some of the laborers unable to get their just share of the pile, would be forced to beg, steal or starve.

But would not the classes you mention and who obtained first chance to supply themselves, pay Uncle Sam for every thing taken? True. They would hand Uncle Sam valuable orders on the pile called "dollars," but these dollars would be useless, if they did not have value, or confer "purchasing-power," on their owners.

How did these classes, supplying themselves from the pile, obtain the orders or dollars which enabled them to purchase from Uncle Sam the things in the pile which they desired? Many earned them by rendering good service to society in exchange, a few legally stole them, and a part

of the "banking class," with the assistance of corrupted legislators, manufactured many of the dollars or orders.

What has this to do with your assertion that the laborers pay all the taxes? It shows that all the useful articles received and enjoyed by the "leisure or non-producing-class" must be supplied by the laborers, otherwise, any money collected by the tax-gatherer or paid to stock, or other property owners, in the form of rents, interest, dividends, etc., is useless, unless it is an order enabling the purchase of some of the useful and luxurious articles, produced by the laborers.

On what does the most important part of the value of these orders depend? On the "LAW-MAKING-POWER," which is generally operated in the interest of every class, except the working class.

Is it a matter of importance to the laborers what things are taxed when the laborers ultimately pay all the taxes? It is.

Why so? Because, when direct taxes are levied by the National Government, they are apportioned among the states or other divisions according to the number of persons, as provided by the Federal Constitution (article 1, section 9, paragraph 4), and consequently, they do not fall upon the tax-dodger with as much justice as when they are apportioned among the states or other divisions, according to the VALUE of the property held and owned within the states or other divisions. Taxes that fall on the owners

of real and personal property according to value, fall with less weight on the enterprising, and more weight on the monopolizing.

How were direct taxes imposed under the Articles of Confederation, which prevailed in this country, before the adoption of the Federal Constitution? Article VIII of the "Articles of Confederation" reads as follows: "All charges of war and all other expenses that shall be incurred for the common defense or general welfare, and allowed by the United States, in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several States in proportion to the **value** of all land within each State, granted to, or surveyed for, any person, as such land and the buildings and improvements thereon, shall be estimated, according to such mode as the United States, in Congress assembled, shall, from time to time, direct and appoint."

Are indirect taxes favorable to workers? They are not.

Why not? Because indirect taxation is a complicated method of taxing the owners of property and falls most heavily on the laborers, who are the most numerous body of consumers. Direct taxation, according to the value of the property held by all owners, is the only just system of taxation that can be employed by a democratic-republican form of government.

Should all indirect taxes be abolished? They should.

Why so? Because when the owner of real or personal property has once paid the annual pub-

lic rent or two per cent tax on the full value of his property, he is unjustly and doubly taxed, by being compelled to pay any transfer, income, inheritance or succession tax or rent..

How do laborers suffer most by unjust taxation? By finding it so difficult to live on their wages that they are unable to earn and accumulate but little valuable wealth on which to pay directly any kind of taxes. Live human flesh ought to be the most precious material existing under a democratic form of government instead of the least so.

Is labor a commodity? It is not.

Why not? Because labor is a force of the mind and body which is not bought and sold like a commodity; but is hired and always has a voice in the making of the contract, with the employer, which no commodity has and should, therefore, never be classified with beast, bird, insect or fish, which take only what they find: and it should never be lowered to a level with inanimate things.

Is labor valuable? It is not. If labor were valuable, it could be used in the pawn-shop as an asset on which to borrow money or some other valuable thing. No matter how learned a man may be or how skillful, he cannot borrow money on his skill or learning from a pawn-broker; as he can on the valuable watch or coat he may own.

Do you mean to say that a naked laborer has no "purchasing-power"? I do; if he does not own some valuable thing. The laborer has "contracting-power," if he is a competent person; but he has no "purchasing-power," except when he owns

some thing which is more or less scarce and desirable. The thing owned may be valuable, when sufficiently scarce; but the knowledge of a man's mind or the skill or force of his body is never valuable; even though it may be very useful.

Can't I agree to go to work for an employer and at the end of the day receive some valuable thing in payment which will then give me "purchasing-power"? You can; but you don't have the "purchasing-power" until the thing is in your possession or the employer supplies you with some kind of a valuable order. Propertyless laborers have great "contracting power," but they have no "purchasing-power" unless they own something valuable.

Does labor become valuable when it finds a market? It does not. It is only when a laborer has rendered some service or added value to some particular thing or things, by making them more useful or desirable, that he receives his wages or "purchasing-power." The laborer must generally annex value to the thing he is working on, which generally belongs to his employer, before he receives in exchange any value or "purchasing-power" in the form of money or wages; and he almost invariably receives less in value (It is just that he should; because the employer is entitled to some wages or profit as an incentive to continue the industry from which the laborer is receiving his wages) than the quantity of value he has added to the thing he has been working on.

Has labor value, when the laborer is a slave? The laborer is valuable, when treated as a slave,

to his owner; but as slavery is an unnatural condition, it should not be tolerated in any just state of society. Labor in itself is not and never can be valuable, where each man has the right to use himself, limited only by the legal and natural rights of others.

Is labor wealth? It is.

Why so? Because it can be used or utilized.

What quality can be truthfully attributed to labor? Utility or usefulness.

What is the logical definition of labor? "Labor is any legal effort to obtain an income."

Why is the word "legal" inserted in the definition of labor? To signify that no labor should be permitted of which the people have not duly and regularly approved.

What do you mean by income? That the thing or things given to the laborer for his services, will enable the laborer to exercise "purchasing-power" and thereby make it possible for him to supply his wants or satisfy his desires. Income is an abbreviation of the phrase "incoming-purchasing-power."

Would not a robber, while stealing things, be engaged in getting an income under your definition? He would not be legally engaged, if robbery were pronounced illegal by the people.

Is not your definition too extensive? It is not.

Why not? Because every citizen should be permitted to freely engage in rendering any legal service he desires to the people, and the people should be permitted to estimate the importance of the service rendered, by the quantity of

patronage or "purchasing-power" they are willing to bestow on the worker in exchange for his products or services. All competent persons should, at all times, be permitted to freely make legal contracts. The people by this freedom to make or not to make legal contracts, can justly express their desire or need for actors, doctors, lawyers, ministers, authors, carpenters, shoemakers, draymen, merchants, etc., by the "purchasing-power" or income received by these classes from whoever patronizes such laborers, and in this manner avoid all unjust discrimination against any legal laborer; leaving, as a result, the workfield, freely open, to all desiring to serve the people. In the same manner an employer should be permitted to legally hire a laborer, willing to legally contract with the employer; just as a mechanic's wife is permitted to legally buy her meat, groceries, clothing, etc., wherever she can buy them to the best advantage.

Is the possession of great quantities of valuable wealth creditable to its owners in this one hundred and thirty-ninth year of the American Republic's existence? It is not generally.

Why not? Because the great majority of the owners of valuable wealth in this country are tax dodgers, money-cornerers, or vote buyers.

How would the valuable wealth of this country be distributed if tax-dodging, money-cornering, and vote-buying were stopped? It would generally be in the possession of intelligent and industrious workmen or laborers.

Why so? Because the intelligent and indus-

trious laborer, whether a doctor, employer, lawyer, merchant, mechanic, pick-ax-wielder, etc., under a just order of society, would be the person who could pay the "two per cent people's rent" on the highest valuation of the greatest quantity of the people's valuable wealth.

What does an American citizen's lack of valuable wealth generally prove? In some cases it proves that he is indolent, shiftless, or extravagant; but in the majority of cases, under our present organization of society, which enables unscrupulous and enterprising persons to unjustly accumulate enormous fortunes, it shows that the poor have been, in many instances, less selfish and wicked and more generous than their more opulent brethren.

What is wages? A laborer's wages is the return in wealth or the "purchasing power" he exercises as the result of his ownership of the things he receives for his services, whether working for himself or another.

How many kinds of wages are there? Two. Real wages and legal wages.

What are real wages? A laborer's real wages is that quantity of utility or usefulness taken from the products of his labor, which he himself enjoys or consumes.

Can you illustrate by example? Yes. If a laborer raises 100 bushels of wheat on some land and pays four bushels or their equivalent in value, to the government as a satisfaction of the People's Annual Rent, for the use of the farm, buildings and personal property, and then eats

or consumes the remaining 96 bushels, the part that he has eaten or consumed is his Real Wages, viz., the 96 bushels of wheat.

What are Legal Wages? A laborer's Legal Wages is that part of the "purchasing-power" received as a reward for his services, which he has left, after he has used or devoured a part in consumption.

Can you illustrate by an example? Yes. If a workman raises 100 bushels of wheat and gives four bushels to the government in satisfaction of the People's Rent and eats fifty bushels, he has 46 bushels left. These forty-six bushels are his Legal Wages and he has a right to consume (but not to wastefully destroy), sell, or assign the forty-six bushels to another for something else, which he may wish to use, consume, or enjoy.

Who owns the Legal Wages? The laborer who made or produced them, subject to the higher ownership of the people, who have the right to take, for public use, the forty-six bushels, at any time, upon compensating the laborer for his services in producing the forty-six bushels; after giving him his day in court; reasonable compensation for the property taken, and proceeding, according to due process of law, to establish the value of the forty-six bushels of wheat.

If a worker or laborer raising 100 bushels of wheat annually on a piece of land, were required to give to a private individual 60 bushels in the form of rent, what should the forty bushels left be called? Wages.

Supposing the laborer in this case ate 10 bushels of his forty bushels, and kept the remaining 30 bushels of his forty bushels, what would you call each?

The ten bushels eaten would be the laborer's Real Wages, and the thirty bushels saved, would be his Legal Wages. Such a laborer would be a CAPITALIST to the extent that the ownership of the 30 bushels of wheat conferred on him "purchasing-power."

What is the general cause of low wages throughout the world? The high price paid by the users of valuable wealth to the owners of valuable wealth, for the privilege of using the valuable wealth. In other words: the proportion of labor-products that goes to the owners of valuable wealth is too large; and the proportion which goes to the users (laborers) of valuable wealth is too small.

What do Legal Wages in the possession of a laborer show, provided he has paid the People's Rent or two per cent tax annually, on the full value of his property, including his Legal Wages? That the laborer has produced some useful thing or things out of the people's property, the desire for which on the part of the people, is expressed in the value of the thing or things made by the laborer, or that he has rendered some desirable service to the community. Legal Wages in the possession of a laborer, evinces that the people have no just right (and then only for public purpose) to take from the laborer his Legal Wages

without paying him for the labor expended in producing the Legal Wages, as determined by the value of the things produced.

Is a doctor, lawyer, or minister a laborer? Yes; whenever he is engaged in a legal effort to obtain an income.

Could any man justly earn legal wages sufficient to equal the value of a million U. S. dollars? He could.

In what way? By rendering a service to the people for which they would be willing to pay him, as compensation, the equivalent in value of a million of dollars.

Can you illustrate how? Yes. A man might invent and construct a number of flying machines at a cost of one dollar each, and then sell a million or two at two dollars each: in this manner he could honestly and legally earn a million of dollars or even more.

Ought not a man obtaining an enormous income in such a manner have his income limited by law? No. But his income would be limited by his being compelled to pay the two-per-cent tax annually on the full value of all the real and personal property he might acquire by the means of his enormous income; which property would include the valuable flying machines he might have in stock, his patents, his plant, steam yachts, automobiles, and all other valuable property (excepting money and his two-thousand-dollar homestead exemption) that might be owned by him.

LESSON IX.

INDUSTRIAL BLOOD

What is money? I will not undertake to define money. I can only at present refer you to samples of it. A French franc, an English sovereign, a German mark, a Russian ruble, an American dollar, a Spanish peseta, etc., are each species of money. I shall however attempt to define and explain what a United States dollar ought to be, in order to effect no injustice to any party to a contract concerning dollars, and to make it impossible for any private individual, owning either a large or small sum of money, to restrict in any manner, trading, producing, or manufacturing throughout the United States, by "cornering" the supply of money.

Of what material should a United States dollar be composed? It should be composed of some convenient and abundant material having little value, and which should not be liable to be scarce or to be needed badly, at any time, in the arts or trades.

Why so? For the reason that when the material out of which dollars are made, is needed badly to make some other useful article, the manufacturers of said articles are prone to melt up or macerate said dollars, in order to obtain the material composing them, for use in their art or trade. For instance: if dollars are made out of copper and the supply of copper out of which to make copper-valves is scarce, manufacturers of copper-valves will be disposed to convert the

copper dollars into copper-valves, and thereby make the remaining copper dollars in circulation less in supply, and so great in value, that the prices of commodities will generally fall, provided that the demand for dollars does not decrease, when measured by said dollars; even though the conversion of the copper dollars into copper valves is very expensive to said manufacturers.

Is this true of other metals or material, such as iron, nickel, paper, gold, silver, etc? It is, and consequently no gold, copper or paper dollar should have as much gold, copper or paper in its composition as will equal the quantity of gold, copper or paper that can be bought in the open market, for a legally coined dollar.

According to your reasoning, a gold dollar containing only one legal cent's worth of gold, as sold by the goldsmith, would make a better and more serviceable dollar than a gold dollar composed of one hundred legal cents' worth of gold? It would, provided the dollar containing the one cent's worth of gold were not too small for convenient handling.

Then you must believe that a dollar composed of paper will make the best dollar, on the theory that the quantity of paper used in the composition of a paper dollar, would never be employed to make up any deficiency in the supply of paper used by those manufacturers who are making books, tubs, pails, or any other article out of paper? I do; provided that the paper dollars are sufficiently protected from counterfeiting, and that their supply is so regulated, that the owners

of paper dollars are not enabled to hamper trade and enterprise, by increasing the supply of paper dollars when said owners of paper dollars had something to sell, or by decreasing the supply when said owners desire to purchase something; and in this manner get something for little or nothing.

Is not the value of 25.8 grains of gold (standard fine) even when uncoined, equal to that of 25.8 grs. gold (standard fine) with the government stamp thereon? It is; but that is because the owner of the uncoined gold can have the government stamp placed on it, free of charge. If 25.8 grs. of iron could be coined by its owner into a dollar, free of charge, no owner of iron would sell 25.8 grs. of iron, in this country, for less than one dollar.

Can the government fix the value of gold or silver? It cannot; but it can fix the price it will pay for either gold or silver; or substantially the same thing, by permitting the owners of either gold or silver to coin a definite quantity of either metal into dollars, free of charge.

But if the owners of gold were denied the "free-coinage" privilege by this government, they could have their gold coined into money, free of charge, in foreign mints. True. But if they took their gold to England to have it coined into money, they could mix in only one-twelfth alloy; whereas under this government they are permitted to mix in one-tenth alloy. As a result, the money-price of their gold would be less in England than here.

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But the value of the pure gold, without alloy, might be more in England than here? True, it might. Yet no one knows whether it is or not; because there is no just STANDARD OF VALUE, by which we can measure the value of pure gold in England and compare it with the value of pure gold in the United States.

Could the present exchanges and enterprises of society be conducted without government issued dollars? They could (but rather awkwardly) if everyone in society kept his or her promise and everyone believed in everyone else's promise.

How could exchanges be conducted without government issued dollars? By each competent contractor issuing a piece of paper signed by himself, which stated the number of days he would work for the bearer or legal owner of the piece of "signed paper."

But if private individuals were to issue such pieces of paper, would there not be much confusion and dissatisfaction in society? There would.

Why so? Because, when the signers of said pieces of paper died or disappeared, there would be no one to fulfill the promises; and some of the promissors might dishonestly issue more of the "promises of days' work" written on paper, than those which they could or would be willing to perform. This would have a tendency to constantly decrease the value of such "promises on paper," and this decrease in value would discourage many persons in their efforts to possess and save such "promises of day's work," or to engage in various

useful enterprises with their assistance: besides, unnecessarily inciting speculation.

Should the scarcity of dollars ever be permitted to limit industrial enterprises of any kind? They should not.

Why not? Because new valuable dollars can be issued by a truly republican government, without the intervention of private individuals or corporations, as long as they are necessary, provided they are composed of paper and the supply of the dollars is regulated by an intelligent public servant (a secretary of the treasury of the U. S. controlled by Perpetual Voting) of the people, in accordance with the "Labor Unit" hereinafter explained.

Is not the value of such an abundant material as paper too low to answer the purpose of a dollar which can perform all the functions of money? It is not.

Why not? Because the lower the value of a convenient material, out of which dollars are made, the less disposed will be men, who are manufacturing articles of utility out of that convenient material or paper, to use said convenient material or paper dollars for other than money purposes, in order to obtain the small quantity of convenient material or paper used in the composition of said dollars.

Can you illustrate by an example? Yes. If some manufacturer were making boxes, books, or pails, out of paper, and it cost the U. S. government one mill to buy the paper composing a U. S. paper dollar, and if about 99 per cent of

the value of the paper dollar were due to the enactment of law, no paper box, book, or pail manufacturer could afford to take the one mill's worth of paper, composing the paper dollar, and convert it into paper boxes, books, or pails; for the reason that the paper boxes, books, or pails would not sell for enough money to compensate the manufacturer for his loss of about 99 per cent of the value, in the dollar, due to the law, in order to acquire a quantity of paper which could be bought in the paper-market for one-tenth of a cent.

Is the same reasoning true of gold? It is.

Why so? Because if a gold dollar were composed of a quantity of gold which could be purchased in an uncoined state in the open market for one legal copper cent and about 99 per cent of the value of such a gold dollar depended on the "legal tender power" invested in said gold dollar, by law, no goldsmith or other manufacturer would melt up such a gold dollar, in order to obtain approximately one-fourth of a grain of gold; but he would, in preference, buy a quantity of uncoined gold in the open gold-market with a coined gold dollar or some other legal dollar, which quantity of gold would excel greatly, in value and in quantity, the (about one-fourth of a grain of gold) quantity of gold contained in the coined gold dollar, when melted or reduced to bullion.

Why do you know that a convenient material having very little value answers the purposes of "dollar material" better than any other substance

high in value and comprising very little bulk? For the reason that if any U. S. dollar contains as much or nearly as much of any metal or other material as can be purchased in the open market for a dollar, whenever manufacturers or money-speculators, abroad or at home, needed the material used in the composition of the U. S. dollar, the foreign or domestic manufacturers or speculators would melt up or macerate said U. S. dollars for the purpose of converting the material composing them, into some article, for which the speculators or manufacturers require the material, every time the material used in the composition of said dollar becomes sufficiently scarce to make its value high enough to induce the melting up or maceration of said U. S. dollars. With a cent's worth, or less, of any convenient material made into a dollar, by law, the value of that material must go very high, before any foreign or domestic manufacturer or speculator could afford to destroy 99 per cent of the "purchasing power" or value in the dollar, due to the enactment of the government or the people, in order to obtain one cent's worth of said material. Consequently, the less the value of any material used in the composition of a dollar, the more probable is said dollar to be kept at home, in this nation, for the purpose of transacting American domestic business; thereby tending to keep the dollar supply in the home-country sufficiently large to meet all demands, with much less liability to fluctuation in value or "purchasing-power," than would be the case were the material composing the U. S. dollar

equal in value to the quantity of the same material, which could be bought in the open market with a legal dollar.

No sensible person or government would use sixteen ounces of gold to make a pound-weight when sixteen ounces of steel would better answer the purpose.

Do not the advocates of the "gold standard" affirm that the only dollar which is an "HONEST DOLLAR" is that which is composed of a "hundred cents' worth" of gold? They do; but they do not know what they are talking about, when they make such an assertion; or else they are deliberate fabricators.

Why do they not? Because when they talk about "one hundred cents' worth" they must have reference to one hundred "gold cents" and as no one ever saw a gold cent, they certainly do not talk rationally when they discuss a cent which no one has ever seen.

Might they not refer to United States cents composed of 95 per cent copper and 5 per cent tin and zinc? If they did they would still be irrational, because the material out of which one hundred copper-tin-and-zinc cents is made by the U. S. government, can generally be purchased as raw material in the open market or junkshop, for less than ten legal copper-tin-and-zinc U. S. cents.

Have you any other reason for asserting that paper is the best material out of which this government can make a legal U. S. dollar? I have.

What it is? If this government were to make its dollars exclusively out of paper, it would be

very difficult, in fact impossible, for any private individual or clique of individuals to "corner" the paper-supply on the government, which is the agent of the people, with the same ease that gold, silver, copper, or any other metal, can be cornered. Paper can be made out of so many abundant materials that it can never be cornered by private individuals, so effectually, as to interfere with the supply of paper which the government might want for money-issuing purposes.

What effect has the "cornering" on a government, of the material out of which its dollars are made? It prevents the government, when operated in the interest of the whole people, from obtaining sufficient of the material with which to increase the supply of dollars, in order to meet an increased demand for money brought about by the "locking up" of dollars by bankers and private owners; or by an increase in business or an increase in the obligations payable in dollars, or an increase in the country's population; and, therefore, makes it impossible for the government to keep its dollars at an UNVARYING QUANTITY OF VALUE.

How should a government regulate the supply of its dollars? It should so issue its dollars that when the demand for dollars is great, the supply of dollars would be great, and when the demand for dollars is small, the supply of dollars would be small. It should also keep the number of dollars in circulation at such an amount that the value of dollars would always be substantially the same, whether the demand for them was

great or small; so that it would at all times require the same average **QUANTITY OF LABOR** to obtain a dollar.

Money is the "industrial blood" which imparts to our industrial system activity; and its supply and value should not be regulated by private individuals. Congress alone (as provided by the Constitution) acting as an agent of the whole people, legally has the power to "coin money and regulate the value thereof." (See Federal Constitution, Article I, Sec. 8.)

Would not dollars naturally go up in value, if the demand for them were increased? Not if the supply of dollars was increased fast enough to meet the demand.

What other purpose should a government, issuing dollars, have in view? It should so issue its dollars and so withdraw them from circulation, that any competent laborer with valuable assets, or who is willing to work, would never be obliged to abandon any industrial enterprise, which would be a benefit to society, on account of his inability to obtain dollars.

What other policy should a government strive to pursue with regard to issuing money or dollars? It should aim to have its dollars always come out through the hands of **MANUAL LABORERS** who had rendered a service to the government by performing manual work, except when the government calls in whatever bonds it desires, in order to replace them with dollars, when attempting to prevent a "money corner."

Should a republican form of government at any time issue any kind of bonds? Yes. It should issue bonds (exempt from taxation because the bonds will be a special part of the Just Money system) of small denominations paying two per cent annual interest, and in whatever amount the people wanted them.

For what reason? To provide the people with a safe investment into which to place their savings and at the same time to enable the government to rapidly increase the supply of dollars in circulation, by calling in bonds and paying them off, AT ANY TIME, in order to counteract any "corner" in money that may be attempted on the part of "financial sharps," who desire to increase the value of dollars circulating among the people and thereby reduce generally the prices of commodities.

Do you believe it is a good policy for all the nations of the world to base their financial systems on gold? Most decidedly not.

Why not? For the reason that, when all the nations of the world are on a gold basis, a financial difficulty in one produces a disturbance in all. It would not be well for humanity to have each nation's water-reservoirs connected with every other nation's; because, in the event of such connection, a putrefication of one nation's water supply, would have a tendency to contaminate all other nations' water supply.

Does raising the rate of discount or interest charged for the use of money or lowering it, as is the practice of the Bank of England, regulate

the supply of money in a manner that best meets the requirements of trade? It does not.

Why not? Because the Bank of England raises its rate of interest at a time the people are withdrawing their deposits for the purpose of meeting the increased demands of trade. That is, when the necessity for money is increasing as shown in the withdrawal of deposits, the bank increases the rent for money and thereby increases the necessity for it; instead of relieving the strain, as would be its duty were it a public institution. Money should not be considered in the same class with vegetables, whose value is high when their supply is scarce and whose value is low when the supply is plentiful: dollars are an artificial construction, designed to measure VALUE and facilitate exchange; just as pound-weights measure the weight of bodies and facilitate exchange. The Bank of England's financial policy is like that of a government which owned all the wagons of a country and whenever the people needed many wagons with which to exchange their labor-products, one with another, would raise the rent for its wagons and thereby restrict trading; and, when the people had no desire to exchange their products, would lower the rent for wagons.

But is not that what men do to-day with horses, carriages, automobiles, etc., viz., raise the price as the demand for them increases? Certainly. But the original makers or producers of these things expended flesh and blood in their production. Whereas, the Bank of England (which is

only a quasi-public institution) acquired the most important part of the value of its pounds, shillings and pence, (not by expending the flesh and blood of bankers but) by legislation, which enables the bank to regulate the value of English money (and related money) to suit its own purpose. The power to regulate the value of money is too prodigious a power to trust to private individuals or corporations.

The power to raise and lower the interest-rate by the Bank of England, enables its governors to levy any tribute they please on trade or exchange.

Does such a government as the United States ever require credit from any private individual? It does not.

Why not? Because the government of the United States, or any other just government, founded on the consent of the people, never needs to borrow (that which it already owns) from private individuals any of the dollars which the government itself has already made or can make. Whatever kind of a dollar a just republic issues (provided the supply is properly regulated), however cheap the material out of which the dollars are made, the instant the government (by exercising its sovereign power, viz., "the right to define the right and enforce the decision") makes said dollars full-legal-tender (that is, decrees that the dollar shall discharge debts; stop the running of interest on a debt after the tender has been made; throw the costs of court on the creditor refusing to take said dollars in payment of debt; and perform all the functions possible to any oth-

er legal coin or dollar; besides declaring that the dollar shall be received in payment of taxes and all other obligations to the government) that instant, the government will be independent of all private individuals owning money; and it will not be required to go to any private individual and borrow the identical dollars which the government itself at some former time has issued, or to which it has annexed its stamp.

Why do bankers and money manipulators want the government to borrow, over and over again, the same dollars from private owners of money? To keep the value of their dollars as high as possible.

Which is the more powerful and permanent: a private individual or a just government? The just government when it is founded on the consent of the people.

Why then does a great and powerful government, like the United States, ask credit (which is time in which to give to an owner some useful or valuable thing for some other useful or valuable thing which has been bought by the purchaser or borrowed by the bailee or borrower, either with or without compensation for the use of the thing bought or borrowed) from any private individual, either for dollars or anything else, when the U. S. Government has the highest title to all the real and personal property in this country? Because it serves the purposes of the vote-buying, tax-dodging and money-cornering classes, to instil in the minds of the people, with the assistance of some pupils, some schools, many

colleges, newspapers and magazines, the false and erroneous idea, that a just and powerful government, resting on the will of the people, can not issue a valuable dollar, unless said dollar at some time or another is exchanged for the gold or silver owned by private individuals.

Is this true? It is not true.

Why is it not true? For the reason that a government founded on the consent of the people and truly representing their wishes, has the legal and natural right to take for public use, any piece of private property, either real or personal, that it requires at any time, provided the owner of the private property is justly compensated therefor by the receipt of legal dollars issued in payment by the government; and which are equivalent in value to the value of the property taken.

On what is this just and natural principle founded? On the theory that the welfare of the people is of greater importance than the welfare of any private individual or clique of individuals, when regularly and duly judged by the people, in the exercise of their sovereignty, through their agent the Government of the U. S. or any of its subordinate parts.

Is this principle founded on any other theory? Yes. On the theory that the highest ownership of all real and personal property is vested in the whole people of a nation, when dealing with the property within the domain of said nation.

How would a government like the United States redeem its dollars without using any kind

of private individual's property? By simply receiving its dollars in payment of the people's two per cent rent or annual tax. The knowledge on the part of the people that the United States government will receive any particular material or any particular form of material, in payment of its taxes or People's Rent, creates a demand for that material. As everything scarce and for which there is a demand, is always valuable and has "purchasing power," or confers "purchasing-power on its owner, everyone directly or indirectly indebted to the government, will want that scarce thing which pays taxes or public rent.

The bankers understand this prerogative, thoroughly, and by the means of laws, not comprehended by the masses, appropriate to themselves the special privilege of bringing into being, convenient "purchasing power" in the form of money. But they purposely misname the "purchasing power:" "credit" or a "loan."

Would the receipt of a particular material in payment of taxes or public rent be a sufficient redemption of any dollar issued by this government or any other true republic? It would.

Why so? Because a truly republican government is the agent of the whole people, and it stands in the position of a "perpetual claimant" for the payment of the two per cent annual rent, due from every private owner of the people's real and personal property. If the private owner or user of any real or personal property pays this year's annual two per-cent-rent, he will, later, be required to pay next year's two per-cent-rent,

and then the following year's rent after that, etc. It is in the nature of things that many people will always want, more or less, and consequently will give something valuable for whatever the government receives in payment of public taxes or the People's Rent. This relation, between the government and the people, (who are the sovereigns having the "right to define the right and enforce the decision,") enables the former to create "purchasing-power" by simply receiving whatever it will, in payment of taxes or the People's Rent. When the government pays the material, so received, out for services, and the recipient then spends it and receives what he desires to eat or wear in exchange for it, the material is then "redeemed" in the manner that the private and subordinate OWNERS OF GOLD OR SILVER DESIRE TO HAVE THEIR GOLD OR SILVER REDEEMED, in order to keep the "purchasing-power" of the owners of the white and yellow metals artificially great.

What is the effect of the government's investing a certain form of material (already being received in payment of taxes) with the power to discharge debts, the power to stop (by tender) the running of interest on debts, and the power to impose the "costs of court" on the creditor who refuses to receive said material in payment of debts? The value of the material so received is greatly increased by investing it with these additional powers.

LESSON X.

MARKET BUILT WITHOUT MONEY

Is money an essential and convenient institution as society is now organized? It is.

What important function of money is only meagerly understood by the people? Its function of enabling the owners of valuable things, the employers of laborers, and the laborers themselves, to make whatever exchanges desired, with great economy of time and labor.

Do the private owners of money ever interfere with the owners of other valuable things than money, when the latter wish to make exchanges? They frequently do.

How so? By hoarding their money or by exacting unjust rent for the use of it, from the traders in, or the producers or manufacturers of useful things.

Can you explain further? Yes. When a laborer wishes to tradé a valuable product of his labor for the valuable product of some other laborer, in society, as now organized, he, generally, first is obliged to sell his labor-product to a man owning money (called a merchant, factor, commission-dealer, or speculator), who rarely gives the laborer enough value in the form of money, to equal the value of the labor-product, less a reasonable profit (plus transportation and other reasonable expenses), which can be justly charged (as wages) by the money-owner, factor, merchant, or commission-dealer. As a consequence, the laborer receives too small a quantity

of value in money for the product he sells. Whenever the laborer has given his labor-product for money and then desires to buy with his money a valuable article to use, the owner (his representative, or middle man) of the article which the laborer desires to purchase, extorts too much value in the form of money from the laborer, before the laborer is permitted to supply his want, by obtaining the article desired. Thus it is, that the laborer is generally plucked when he sells and plucked when he buys, by the owner of money. This explains the expression: "Skinned going and coming," as applied, when any laborer trades through some of our unscrupulous merchants.

Can you give another example showing how useful money is in effecting exchanges and facilitating industrial enterprises? I can.

What is it? It is the experience of a small village on the Isle of Guernsey in the English Channel. The inhabitants of this village wished to build a public market and the village board passed a resolution ordering the erection of such a building; but the board discovered that the edifice would cost £4,000 in money and as the village had no funds, a resolution authorizing the borrowing of that sum at six per cent interest was about to be passed, when the president of the board asked: "Is there not stone enough in neighbor Thomas Doyle's quarry to construct the foundation of the proposed market?" Several members of the board answered, "There is." "Hasn't Charles A. Grant," again inquired the president, "the brick-maker in our village, a plant with which he can

supply all the bricks we shall need in the building?" Again was the reply affirmative.

"Hasn't Alfred Urfer, the farmer who lives a few miles out of the village, enough seasoned timber to supply all the wood that will be required?" The answer again was a number of "Yesses." "Hasn't E. L. Kinloch, the lime and cement dealer, all the other building material we may need for the purpose of constructing this building?" A dozen asserted he had. "Haven't we a number of carpenters, masons, plumbers, painters, etc., in our town, who are prepared to render the kind of services we shall need in the erection of this structure?" As usual, the reply was affirmative.

"Now it appears to me," continued the president, "that if we have the laborers and the materials necessary to erect the market, in our village or its vicinity, there is no reason why we cannot proceed to build immediately."

"But," objected a member of the village-board, "we must first find some person who will lend us the necessary amount of money."

"Listen!" rejoined the president. "If this village board will authorize me, by resolution, to issue £4,000 of paper script on which shall be printed: 'This paper script shall be received in payment of rent for the use of any room or store in the public market', I will undertake to put up the building without borrowing a single pound of money from any private individual or banking corporation."

What next occurred? A resolution was

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promptly passed authorizing the president to issue the script, and to proceed at once with the erection of the market. The president thereupon consulted the quarryman, brickmaker, lumberman, lime and cement-dealer, masons, carpenters, plumbers, painters, etc., and learned that all were willing to take the paper script in payment, for either services or material; because the village board had agreed to receive the script in payment of rent for the use of the rooms and stores, which were intended to form a part of the market. Some of the village merchants dealing in food, clothing, hardware, etc., eagerly announced, that they would take, at the face amount, the script in payment for their merchandise, for the reason that they intended to hire stores in the building, when it was completed, and as tenants they would use the script received in exchange for their merchandise, to pay the rent which would be due to the landlord of the public market, who was the president, acting as agent for the town board. These merchants had no hesitation in telling the mechanics and material men that the script would be useful to purchase anything in their stores.

The president next hired an architect, a number of masons, carpenters, plumbers, painters, etc., and bought a quantity of stone, bricks, lumber, mortar, etc. With the paper script he paid the mechanics each Saturday night; and the material men, when their material had been delivered.

Within a few months the market was completed, the rooms and stores occupied, and the

script, which the president had paid out commenced to return to him in the form of rent. At the end of two years, all the £4,000 which had been issued (except a very small percentage which had been lost or destroyed) came into the hands of the president, who thereupon called a meeting of the village board.

When the members were all in their seats and the space allotted to spectators crowded, the president asked: "Is there any material-man, present or not present, who holds any unpaid bill against the village for material furnished in the construction of this public market, in which we are now meeting?" A deadly silence took possession of the assemblage.

"Is there any mechanic, architect, laborer, or anyone else, present or not present, who has an unpaid claim for services rendered in constructing this public market?" Again no one replied.

"I don't think there is," remarked the president, "because I have a receipted bill, now in my possession, for every service rendered or material bought, during the erection of this edifice; but in order to avoid any possible mistake, I am making this public inquiry for any claim that might be outstanding. Evidently all bills have been paid, and as I have the £4,000 of paper script, which has come to me in the form of rent paid by the tenants occupying the stores in the village market, (excepting a very small percentage which has been lost or destroyed) now in my hands, and as the public market is paying the village a good net revenue, I wish to announce that

the taxes on all village property hereafter will be lower. We shall now proceed to enjoy a conflagration."

The president then placed the script, which had been paid in as rent by the merchants occupying the stores, etc., in a tin pan, struck a match, and applied its flame to the paper money. The village board and spectators then saw the paper script, which had enabled the village to build its market; to give employment to many mechanics; to increase the trade of merchants; and to effect all kinds of exchanges in so doing; pass off in flame and smoke.

What does this experience of the village board show? It shows that the paper script was simply "PURCHASING POWER" issued in a convenient form, which enabled the laborers, mechanics and material men, engaged in the construction of the building, to exchange the "purchasing power" they had put into the public market (by making it valuable, as the result of the laborers' or mechanics' skill, when applied to the materials furnished by the material-men) for other forms of "purchasing power," such as food, clothing, shelter, etc., without consulting the private owners of gold, silver, copper, or any other kind of money.

Can you make this Isle of Guernsey transaction any clearer? I can. What the village board required as soon as they had decided to erect a public market was "purchasing power," in some convenient form, which would enable the laborers and material men to exchange the "purchasing-

power" they proposed to put into the market while it was in building, for the "purchasing power" in the possession of the owners of bread, meat, coats, hats, shoes, cigars, etc., because of such ownership. The issuance of the paper script, on the part of the village which had a title, (under the Law of Eminent Domain) higher than that of any private individual, to all the property within the boundaries of the village, brought into being the necessary "purchasing power" which enabled the enterprise to be carried to a successful finish. Because the village board was capable of performing its contract, the merchants who expected to occupy stores in the public-market were willing to accept the paper script and give valuable things in exchange for it, on account of their knowledge that the script would have value or confer "purchasing power" on its owners, when paying for the use of the rooms and stores in the market. When the board pledged itself, by resolution, to receive the script in payment of rent, it exercised its natural right to create "purchasing power" or valuable money, and thereby supplied itself with CAPITAL. Whatever article or material any creditor agrees to receive in payment of debts or other enforceable obligations, immediately becomes valuable, in some degree, and enables the owner to exercise "purchasing power," if the creditor is responsible. This is particularly true of justly organized democratic-republican governments.

Then the paper script was simply "purchasing power" brought into being by a resolution

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of the village board? Exactly. Just as a rich man can bring into being "purchasing power" by issuing a promissory note, which promises to pay or deliver coal, wood, meat, sugar, dollars, bonds, etc., to the payee; or which the rich man is willing to take in satisfaction of any of the claims he holds against his debtors.

What is the difference between "purchasing power" brought into being by a nation and that brought into being by an individual? The possibility of a nation's "purchasing power" ever passing away is extremely remote, because it owns everything within the domain of the nation; but the probability of an individual's "purchasing power" passing away, becomes a certainty when he loses title to his valuable property or when his ownership of all real and personal property terminates at his death.

What is the difference between a negotiable promissory note issued by an individual and the paper script issued by the village board? In law, the negotiable promissory note of an individual (which promises to pay money) **must ultimately be paid in money** in order to be valuable and to be redeemed; just as a bill of lading, in order to be valuable and to be redeemed, must be ultimately exchanged for merchandise. But the script issued by the village board, required no redemption in money or merchandise by the village, only in so far as it was redeemed when passing from hand to hand, in exchange for valuable commodities; the same as gold coins are redeemed, when passed from hand to hand, in exchange, for

other valuable things. The simple fact that the merchants could pay their rent for the use of valuable property to their landlord (the village board) with the script, made the paper script valuable; and because the script was valuable, it passed current in the village and enabled all persons receiving the script, who had claims for valuable material built into the market, or for services rendered by adding to the value of the market, to exchange the valuable script for other valuable things such as groceries, clothing, etc.

Was this paper script issued by the village board CAPITAL? Yes. It was capital in a very convenient form.

Could the village board have built another market by issuing more script? They could. But if they built too many markets and thereby increased the supply of markets beyond the demand for them, merchants would not give much rent for stores in some of the markets. There is a limit beyond which the building of markets or the issuance of paper script should not be carried.

What is that limit? I shall explain in a subsequent lesson that the supply of money should expand to meet the whole of the demand for it; and the supply of money should contract when the demand falls off; so that the money supply will always meet the demand; no more no less.

Could the village board have built a railroad in the same manner? They could, if the railroad were not too large to be handled with the quantity of "purchasing power" conferred on the village

board, by their ownership of all the real and personal property in the village.

Then what this government of the United States requires more than anything else is a convenient form of "purchasing power," which can not be selfishly controlled or "cornered" by private individuals? That is exactly it. And when this government had a greater supply *per capita* of convenient "purchasing power" (although an important part of it was deliberately crippled, in the interest of the banking class, by the insertion of the "exception clause" on all U. S. notes) than what it has now, as it did in "war times," the laborers in this country enjoyed, generally, the most prosperity they ever did before or since; notwithstanding that the money "cornerers," tax dodgers and vote buyers of Wall Street and similar places, affirm that the "good times" during the civil war period was a "fictitious prosperity." Would that we had, among the plain people, some of that "fictitious prosperity" in these days!

What error did the U. S. government commit, when issuing its U. S. notes? It erred when it promised to pay dollars at any time in satisfaction of the demands of the holders of U. S. Notes. The government should only have promised to **RECEIVE** the notes in payment of taxes, imposts, dues, or any obligation payable to the United States government. It was a mistake, or a vicious design, to even call them "notes." The law should have made them full-fledged-legal-tender-dollars and without any "exception clause" whatsoever.

How would the village board have fared had they borrowed the £4,000 at 6 per cent from private individuals? They probably would have paid to the lenders enough interest at 6 per cent, when compounded four times a year (as the bankers do, when lending money to borrowers on notes to run for only three months' time) to equal, in twenty years, three times the principal, and still owe the original amount borrowed. One dollar, plus compound interest, at six per cent, per annum, amounts to \$340 in one hundred years.

Does this Isle of Guernsey transaction evince how private individuals, who own and control great quantities of money, can interfere with or obstruct public and private enterprises? It does.

How so? By refusing to let the village board have the use of their privately owned money, on any terms whatsoever, the private individuals owning money, could have prevented the erection of the public market; or by lending their money at exorbitant rent or interest for its use, they could probably have kept the whole village perpetually in debt to money-lenders. But the village president's sensible idea enabled the village board to create sufficient "purchasing power" in the form of valuable paper script to build the market, independent of the desire for personal gain on the part of any private individual or clique of individuals. When the script had accomplished its purpose, viz., to enable the architect, mechanics, and material-men, to effect their necessary exchanges, it naturally came back to the presi-

dent who instead of paying it out again, as he could have done, for services and material to be used in the construction of another public building, burned it up.

Could the village board in any manner increase the "purchasing power" of the paper script? They could if the general government above the village board permitted.

In what way? By increasing the demand for the script.

Can you make yourself clearer? When the village board agreed to receive the script in payment of market rent, the script was in vigorous demand by only the few merchants who expected to occupy rooms and stores in the market. If the village board had agreed to receive the script in payment of all village taxes, the demand for the script by all persons owing the village for taxes, or who expected to pay taxes to the village at a future time, would have been additionally increased. This increase in the number of persons desiring to get possession of the script, would have made it more valuable than when only the few merchants intending to occupy rooms and stores in the market desired to get it.

Could the value or "purchasing power" of the script have been still further increased? It could.

How so? By giving the script power to discharge debts, to stop, by tender, the running of interest on debts, and to force the payment of the "costs of court" on all persons, who refused to receive the script in payment of debts.

Could the village board have decreased the "purchasing power" or value of the script? It could.

How? By increasing the supply of script until the supply of script exceeded the demand for it.

Is not this power of creating valuable script or dollars too important a prerogative to leave to the regulation of such a body as the village board? It is.

Who alone should exercise this important prerogative of bringing into being "purchasing power" in the form of script or dollars? The national government, acting as an agent of the whole people, only, and then subject to the most rigorous regulations.

Was not this script issued by the village board simply "credit money"? No: not a particle more so than a gold coin containing 25.8 grains of gold, standard fine, is credit money, when legally issued by this government. The script was "purchasing power" actually brought into being by the resolution of the village board.

Can you bring out this idea more clearly? Yes. Credit means trusting some one to return a thing borrowed or its equivalent in value with or without compensation. The village board borrowed no money, consequently, there was no "credit money" whatever in the transaction. When the president gave a mason working on the market some of the script, as wages, the mason had his "purchasing power" in his hands. The mason did not agree to return anything to the president; nor did the president agree to give anything else

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at a future time to the mason as would have been the case in a credit transaction. The mason had increased the value or "purchasing power" of the owners of the market, by skillfully laying bricks into a wall to form a part of the market. For this increase in the value of the market, by laying brick on top of bricks, in suitable beds of mortar, the president gave the mason "purchasing power" in the form of paper script; just as the grocer gave to the mason "purchasing power" in the form of bread, beef, clothing, etc., when the mason exchanged his paper script at the counter of the merchant who intended to hire a store in the market; and just as the merchant could have spent the script for more groceries. Credit always implies "time" long or short, in which to return something or its equivalent in value with or without compensation. The mason did not credit the president; nor did the president agree to credit the mason with anything. As soon as the mason had finished increasing the "purchasing power" of the owners of the market, according to the contract, he received back "purchasing power" in the form of the paper script, which was exchanged at the merchant's store for "purchasing power" in the form of hats, coats, beef, sugar, etc. The ownership of the bricks and mortar built into the market; the ownership of the script given in payment for the services of the mechanics; and the ownership of the food, clothing, etc., given by the merchants to the mechanics; all, alike, conferred "purchasing power" on their own-

ers without the intervention of any credit whatsoever.

With the exception of "contracting-power," "purchasing-power" is the widest general relation in the whole business-world.

Then any great government founded on the consent of the people and truly representing them, can bring into being "purchasing power" at any time? It can as long as the government adheres to Truth, Right and Justice; does not over-produce its "purchasing power"; and never issues a promise to pay, but only issues orders on its own property, which "orders" it agrees to receive and honor at all times.

According to your theory, a government might issue too many dollars? It certainly might; because when any government (which has the sovereign power to take any property for public purposes it pleases, and give therefor, in exchange, its own legal tender dollars) issues more money than there is a demand for, the money depreciates in value, and if enough, too much, is issued, it may become useless, except for converting the material of which the money is composed into some other article of consumption or utility.

Then any great government can always supply itself with all the CAPITAL or "purchasing power" it requires with which to employ laborers at any time, if it acts justly and intelligently? It certainly can.

Could the U. S. government supply its people with a credit system? Most certainly. But the

credit system should be abolished to the greatest extent possible, under our national, state, and local governments, and a cash system, which would not require the payment of great sums of interest to the money-owning or non-producing class, substituted.

Why do not great governments exercise this power of bringing into being whatever CAPITAL they may need? In some urgent cases, such as war-times, the governments are obliged to, in order to preserve themselves; but, generally, because private individuals, such as bankers, money-lenders, money-cornerers, stock-brokers, vote-buyers, etc., by the means of bribing public servants and disseminating financial falsehoods among the people, prevent them.

What important fact did Benjamin Franklin bring out in his time? He demonstrated that a ton of pure iron is of more practical utility to mankind than a ton of pure gold. Pure gold is so soft that it can rarely be used for any useful purpose, until first mixed with some other metal. Whereas, pure iron can be made into a thousand and one useful articles, without being mixed with any other metal.

Then the whole world is generally wrong in its belief that gold is indispensable to the various financial systems of the world? Most assuredly.

LESSON XI.

A TRUE UNIT OF VALUE

How would you regulate the issuance of dollars so that they would not be either too low or

too high in value or "purchasing power"? I would have a Secretary of the Treasury of the United States who should be elected directly by the voters of the United States and (subject to the power of recall under the system of Perpetual Voting which I shall hereinafter explain) in whom should be vested the absolute power to regulate the supply of dollars throughout these United States, in accordance with the following articles by the late David Reeves Smith:

"ARTICLE 1. On or before the tenth day of every month, let every person in the United States who employs others, make in writing a true statement, on a blank form provided by the government for the purpose, of the number of persons employed by him during the preceding month; the wages per hour paid to each person so employed; and the wages paid per hour for the same kind of work during the month preceding the one above mentioned. On the same day, or the day after that on which the said written statement is prepared, let it be mailed to the Secretary of the Treasury of the United States.

"ARTICLE 2. The Secretary of the Treasury shall leave out of consideration one-fourth part of the number of persons so employed and reported in the several statements provided for in Article 1st; which fourth part shall consist of those receiving the highest wages per hour; and he shall ascertain, as soon as possible, the average wages per hour received by the other three-fourths part, and shall consider that average to have been the average wages per hour of the cor-

responding month, and he shall compare that average with the average of the month preceding that, and thereby ascertain whether wages per hour are increasing or decreasing, and at what rate per cent; and on every month thereafter the Secretary shall in like manner ascertain the average of wages per hour and the rate of increase or decrease for the preceding month.

"ARTICLE 3. The Secretary shall from time to time increase the quantity of money in circulation, but shall never under any circumstances whatever, withdraw from circulation enough to decrease the average rate of wages. Whenever the Secretary shall observe a decrease in the average rate of wages, he shall immediately add to the quantity of money in circulation so much as shall appear to be required to restore the highest average rate of wages that had at any time been observed after the first monthly statements had been made. The purpose which the Secretary shall have always in view will be to issue just enough currency to prevent the average of wages from being for any two consecutive months below the highest point at any time reached; but not enough to cause any greater advance in wages, at any time, than shall appear to be necessary or incidental to this method of preventing a decline in wages."

Would not this plan of issuing money place too much power in the hands of a single individual? It would, if the Secretary of the Treasury could not be immediately removed from office by the people under said system of Per-

petual Voting, in case he did anything detrimental to the interests of the people, according to their regularly and duly expressed judgment.

As the "public eye" would then be turned on the acts of the treasurer, by watching the average rate of wages, he could not permit the average rate of wages to change much, before it was observed, generally, by the public.

How would the Secretary put the money out? By establishing Government Employment Stations in all cities with a population of 100,000 or more, at which any competent citizen could obtain employment at making highways, building post-offices, erecting hospitals, school-houses or public meeting-halls, laying out parks, or producing anything which the National Government or the people required, and paying for the services so rendered, with full legal tender paper dollars issued by the Secretary of the Treasury.

How much per day or hour should be paid the workers given employment at these Government Stations? That would depend on the average wages, as shown by the reports sent to the Secretary of the Treasury. If the "average wages" as determined from the reports were, two, three, or four dollars per day, or so much per hour (it matters not what the amount), at whatever figure the Secretary found "average wages," he must keep "average wages" at that amount, either by increasing or decreasing the supply of money in circulation, and ordering more work at increased daily wages or less work at decreased daily wages, at the Government Stations;

or by holding the money in, when it came into the treasury by way of taxation or the People's Rent.

Can you make this any clearer? Yes. If five hours were to constitute a working-day and five dollars a day were the average wages of the not-capitalist class (three-fourths class), it would take one hour's average work to obtain a dollar; and one dollar would command one hour's average work at all times. The dollar issued in this manner, would be a Unit of Value, and the one hour's average work would be a Unit of Labor; and each would exchange for the other, in the U. S., as long as money was issued according to this system. The relative supply of money to commodities would then always be the same as the relative supply of labor to commodities and the changes in value of commodities, in these United States, could be measured by a Unit of Value, which would not itself change, substantially, in value.

Would the prices of apples or any other commodity go up when measured in this just money? They would sometimes. As the supply of apples or other commodities became scarce, and if the demand were not decreased, the apples would increase in money-price; or when the supply of apples became plentiful and if the demand were not increased, the money-price of apples would go down.

How is it now with the present U. S. system of issuing money, under which private individuals and corporations regulate the supply? Sometimes

when the supply of potatoes is plentiful, because the supply of money has been increased, the money price of potatoes goes up and vice versa.

Would it make any difference at what average rate per day the Secretary fixed the wages? It would not, as long as the Secretary kept the "average of wages" at some particular figure. For instance, it is my personal opinion, that the "average of wages" ought to be raised to about five dollars per day, in order to supply the people with enough money to easily pay off the various forms of indebtedness which have been foisted on them by the innumerable "financial sharps," which this grabbing age has produced. Then, ever after, the Secretary of the Treasury should keep the "average of wages" at five dollars per day or a certain equivalent amount per hour.

What should the Secretary do when the average of wages fell to \$4.95 per day? Bring the average wages up to \$5.00 per day or eighty-three and one-third cents per hour (provided the working day consisted of six hours daily toil) by ordering more work at the Government Stations and paying a few more cents per day.

What should the Secretary do, when the average of wages as shown by the reports sent to the Secretary of the Treasury by the private employers, went up to \$5.05 per day? Withhold money from circulation, by reducing a few cents per day, the wages paid at the Government Stations.

What should be the constant duty of the Secretary while watching these reports? To keep

the "average rate" of wages of the "three-fourths class" at five dollars per day; drawing or holding in money, when "average wages" went above that figure per day; and putting money out by giving more employment at slightly increased wages in the Government Stations, when the "average wages" fell below that figure.

Would the Secretary ever under this system be required to withdraw money from circulation? Not if counterfeiting could be prevented and the savers of money did not suddenly become spenders.

Why not? Because all money naturally tends to contract itself, due in part to the fact, that an important fraction of every nation's money is lost, hoarded, destroyed, worn out, locked up, used in the arts or over-contracted for. On this account, the Secretary's duty would generally be to increase the supply of money.

Would money issued in this manner meet either a large or small demand for it? It would.

Why so? For the reason that when money became scarce, the applicants for work at the Government Stations would increase; because the "average wages" earned away from the Government Stations, by the employees of private employers or by persons working for themselves, would decrease, which decrease would send more applicants for work to the Government Stations. This decrease in the "average wages" as exhibited in the "monthly reports," would warn the Secretary that he must start more improvements for the purpose of employing more workmen and get-

ting out more money, in order to keep up the "average of wages." If the demand for money decreased, there would be fewer persons seeking work at the Government Stations. As the Secretary could issue paper dollars, by increasing public employment or by calling in two per cent bonds, in which some of the people would have invested their savings, as fast as "money cornerers" or bankers locked them up, any scarcity of money, shown by the private employers' monthly reports, in a decreased daily or hourly "average of wages," could be immediately met, on the part of the Secretary, as the result of putting out enough more new money in the manner described, to keep the "average of wages" at the particular figure decided upon.

In this way the demand for money would be exactly met, no more, no less.

What effect would this system of issuing money have on the "cornerers" of money throughout the United States? It would drive them out of the "money cornering" business, because they would be unable to increase the "purchasing-power" of money by decreasing the amount in circulation and thereby forcing down the prices of commodities, generally, as the result of the locking up of large or small sums of money. Any sum of money locked up in this manner could be easily replaced by the Secretary of the Treasury.

But could not the owners of coal force up the price of their coal by holding their coal supply from the market? Not for any considerable length of time.

Why not? Because the Two Per Cent Tax would force the coal-owners to pay increased taxes, as the value of the coal went up; and, also, because any one could buy the coal at the assessment price, on which the owners were paying taxes.

Would this system of issuing money be as good as that employed by the Bank of England? It would be much better.

Why so? Because the Bank of England's system requires the raising of the rate of interest charged for the use of money, in order to protect its reserves, at a time when people are most in need of money and are withdrawing it, or striving to withdraw it, for the purpose of supplying their wants or earning greater returns; and it requires the lowering of the rate, at a time when the people don't need their money very badly and are increasing the Bank of England's reserve by depositing their money in the bank.

Who invented this system of issuing money? The late David Reeves Smith.

What did he call money so issued and controlled? "Just Money."

Why? Because it is a money which will at all times confer on its owners, practically, the same quantity of "purchasing power"; a money which will satisfy the demand for it whether great or small; a money which will make it impossible for private individual-money-owners to stand in the way of the laborer, when he wishes to make or produce some useful article; a money, the supply of which, will be regulated according to the needs

of labor; a system of money under which there can be no panic or lack of employment; and a money which will rest upon a "Unit of Labor" as shown in the monthly reports sent to the Secretary of the Treasury.

Is there any other advantage about Just Money? Yes, it would, most generally, come out through the hands of a part of the workers who constitute the most useful and numerous class in society; instead of coming out through the hands of the few possessors of special privilege and great wealth; as is the case under our present banking and financial laws.

Would money issued and controlled in this manner supply the industrious and enterprising laborers with all the capital they required? It would.

Why so? Because capital is "accumulated purchasing-power" and, consequently, whenever competent laborers wished to undertake any practical kind of an enterprise, they could get all the necessary capital or "purchasing-power" they required, while carrying the enterprise to a successful completion, provided the laborer or laborers had sufficient valuable assets, or were willing to go to work at the Government Stations and be paid for their services by the Secretary of the Treasury, in full legal-tender paper dollars, of substantially UNVARYING VALUE, and issued in the manner hereinbefore described.

Would this change our present banking system? It would to the extent of preventing any bank from issuing money. But banks of deposit,

of exchange, of discount and of savings, would continue, without any material change, only greatly reduced in power and number.

How would the industrious laborer be enabled to obtain assets? The Two Per Cent People's Rent, when collected annually; the Assembly District Recording Law with its penalty of forfeiture in case of failure to record any real or personal property; and the Self-Assessment Law, which have been heretofore described, will reduce all large fortunes and make it impossible for anyone to hold out of use any real or personal property without paying annually the People's Two Per Cent Rent on its full value. When these laws are on our national statute books and are enforced, industrious and provident laborers will never be without assets; and they will be, generally, working for themselves, on lands which they will own and cultivate, and with machinery which they will, generally, own, as the result of having paid to the community a two per cent rent on the full value of the land and machinery, except when they can earn higher wages toiling for an employer.

What do you mean by assets? Any valuable real or personal property.

Why do you affirm that these three laws will, generally, diminish big fortunes? Because the natural law of Diminishing Returns and the collection of the People's Rent on the full value of all real and personal property (with the two exceptions heretofore explained) will make it impossible for the present owners of large quanti-

ties of valuable wealth to hold or own large quantities of valuable wealth, without paying the People's Rent on its full value, when enterprising laborers are willing to pay the government the People's Rent or tax, on a higher valuation of said property, than that on which any tax dodging natural or artificial person, possessing great quantities of valuable wealth, could pay the Two Per Cent Rent.

What do you mean by the Law of Diminishing Returns? I will illustrate by an example: when a man owns a house equivalent in value to ten thousand dollars, he may be able to manage, without other labor than his own, the house; rent it, keep it in repair, pay the taxes or Two Per Cent Rent on its full value, and, by working himself, obtain an average living for himself and dependents, by means of the net return from it. But if he owned two such houses, he would find that the net return from the second \$10,000 house was diminishing; because he could not manage so efficiently, repair and pay the two per cent tax on the full value of two \$10,000 houses as well as he could on one. And if he were to buy a third \$10,000 house, the net return from the third house would still be less pro rata than that on either the first or second house. The net return on the fourth \$10,000 house bought, would still be further decreased, until on the fifth \$10,000 house purchased, he would have no net return, and probably on the sixth \$10,000 house acquired he might lose money.

Why are you sure that this Law of Diminish-

ing Returns is true? Because the more valuable property a small number of owners hold and control, the higher in value can said property be forced by its owners; due to the fact that a larger number of people must do with less of such property; because the few have obtained more. This relation is always expressed in the value of the property, and if the law of value were given free play by the imposition and collection of a two per cent tax on the full value of all real and personal property, throughout the United States, with the exceptions heretofore mentioned, the more property the average rich man owns, the less would be his rate of return from it, as compared with a man who owns just enough to keep himself fully and profitably employed.

Is there any other reason for the Law of Diminishing Returns? Yes. A Divine Providence has so decreed things that when a valuable property is not repaired and cared for, it generally and rapidly tends to decay, and in time resolves itself into some preceding elementary state, unless more labor is expended in preserving it. To preserve valuable property from decay, every large property-owner must hire additional assistance, as the amount he holds or owns increases in value and quantity. For the reason that the average hired man will not work for an employer as well as he will work for himself, the large property-owner discovers that the more men he hires (an employee seldom equals, in energy, a man working for himself) the more of his own time must be spent in watching or superintending the

hired men and, consequently, the less of his own personal labor can he apply to the care and profitable management of the property. This entails an additional rate of loss to the large property-owner, or a diminishing net return, as the quantity and value of the property owned by him is increased.

Would this Just Money be a very stable currency in the event of war with another nation? It would be the very best currency in the event of war.

Why so? Because every citizen in a true republic who possesses Just Money will not be disposed to have the "purchasing-power" of his money destroyed as a result of the destruction of the true republic. Consequently, he would be more selfishly inclined to uphold the true republic issuing his money and to fight for it, in the event of war, than if the value of his money were in the form of gold or silver, whose owners, like the Pothschilds and their kind, would most probably, take away their white and yellow metal, when the true republic became engaged in a war struggle; a time in which a nation needs its "purchasing-power" the most.

How many of these Government Stations at which U. S. citizens could obtain employment would you have established throughout the United States? As many as there are cities containing a population of one hundred thousand persons or more.

Why so many cities? For the reason that there should be many money centers in this coun-

try, instead of one chief center (Wall Street and vicinity) as is the case to-day.

Have you any other reason? Yes. The number of money centers, such as the proposed Government Stations, would then be so distributed throughout the United States, that unemployed citizens or those citizens desiring government work, would not be compelled to travel a long distance in order to obtain government employment.

Would this kind of money (Just Money) generally remain at home in this country to facilitate the exchange of commodities? It would.

Why so? Because such money would generally buy more in this country than elsewhere and because every Just-Money-dollar taken abroad, which was not lost or destroyed, would soon be returned to this country, in which its "purchasing power" would generally be the greatest, in order to be exchanged for other useful things.

Would this government sustain any loss as a result of any Just Money being taken abroad and lost or destroyed? It would not.

Why not? Because every dollar of Just Money lost or destroyed abroad, by foreigners, would be equal in value to the value of a quantity of useful articles left in the United States for use and consumption by Americans; said useful articles, instead of being applied to the use of foreigners, as would have been the case, if the Just Money lost or destroyed abroad had been preserved and used by said foreigners to purchase American articles of utility for the use and consumption of those foreigners who had lost or de-

stroyed said Just Money, would be left to home for use and consumption by Americans.

Could the script issued by the Isle of Guernsey village board be used to circulate abroad? Not to any great extent. But script legally issued in the same manner with full legal tender-power by a national government founded on the consent of the people could be used in foreign countries to some extent, but subject to discount. But no nation should concern itself about another nation's money. Each nation should confine itself to regulating the supply and value of its own money, independent of every other nation.

Why would a true republic's dollars naturally return to it? For the reason that the dollars issued by a true republic would be an order or a draft on all useful or valuable property for sale within the true republic issuing it; and a specific number of such dollars would always exchange for a quantity of useful or desirable things equal in value to that of the specific number of nationally issued dollars, provided the nation's dollars were a full-legal-tender Just Money.

Would this Just Money measure the value of any real or personal property in the United States without injustice to the owners? It would.

Why would it? Because its supply would not depend on any caprice of Nature or the cupidity of bankers or private money-lenders, who generally strive to keep the supply of money scarce in order to force many people to borrow from them at some rate of interest; which would not be necessary if the masses could do business gen-

erally on a cash basis; nor would the supply of money be increased or decreased by any machinations of "money speculators." While the supply of houses, land or commodities, for sale, might change, the average daily or hourly wages, in Just Money, of laborers, would bear the same relation to labor at all times; that is, it would take the same quantity of average labor to get a Just Money dollar at all times, and the quantity of Just Money required to buy any real or personal property would be large, when such property was scarce; and small, when such property was plentiful; just as would be the case when said property was scarce, it would require more "average day's labor" to get it, and when said property was plentiful, it would require less "average day's labor" to get it. In this manner, a "Labor Unit" founded on the "average wages," per hour or day, paid in the United States, as shown by the monthly reports sent to the Secretary of the Treasury by the private employers of labor, would be the basis of Just Money.

Is it to the advantage of a nation to have gold flowing in to the nation, in excess of the quantity of gold going out? Generally, it is not; because wherever gold goes, generally, it will be found that locality is in need of money and that the supply of legal money is scarce, relatively, in said locality. This scarcity, in said locality, has a tendency to force prices, measured in legal money, generally down. As gold generally goes where it will buy the most, viz., where prices are generally falling and money is scarce, it is a bad

symptom for that country to which it is going; because it shows, generally, in the country which it is leaving, that they are using a material for money purposes, which is low in value; and, therefore, the supply of money is more abundant. Just money will not fluctuate from high to low value and vice versa.

LESSON XII.

VOTE BUYING AND SELLING

If you could convince the American people that the Just Money System, and the Death Rate Tax System, were all that you contend they are, how could you prevent public officials from "selling the people out" to the tax-dodgers, money-cornerers and vote-buyers, as they now do, under our present government? The adoption of the late David Reeves Smith's system of Perpetual Voting (see cut in appendix), under which the electors could exercise absolute control over their public servants, at all times, by the means of the Power of Recall, would compel public officials to become public servants in practice as well as in theory; and when any of them "sold out" their constituents, or when the constituents really thought they had been sold out, said public officials could be immediately removed from public office.

Can you more clearly explain this Perpetual System of Voting with which you propose to control the Secretary of the Treasury and all other important public officials, when he issues this Just Money? I can. It is a system of voting un-

der which the elector writes on a book, kept for the purpose, called a Vote Record, the name of his candidate.

Would not the elector's writing his choice for office, on a book, disclose to the public how he voted and thereby destroy the "secrecy of the ballot?" It would. But secrecy at the ballot-box is wrong. Every elector should be required to vote in such a manner that any neighbor or citizen, so desiring, could learn how he voted.

Is not the secret system of voting the best? It is the very worst.

Why so? Because under the cover of secrecy the greatest frauds, outrages and hypocrisies at the ballot-box can be perpetrated.

What do you mean? I mean that when the voting is secret, it is easiest for dishonest inspectors or other election officials to overturn the will of the people in big cities and elsewhere, by permitting "repeaters" to vote or by being unable to prevent them from voting, or by dishonestly counting the vote.

Why can't fraudulent "repeaters" under the secret ballot be prevented from voting? Because professional "repeaters," by acquiring a temporary "voting residence" in compliance with the law, in different polling precincts, are enabled to vote illegally in several precincts. As no inspector of elections can familiarize himself with all, or sometimes even a large majority of the voters in a densely populated election precinct, the inspector must, in many cases, accept the representations of the "repeater" or his abettors, as

to the repeater's identity, residence, and right to vote. But under the system of requiring each elector to inscribe, in his own handwriting, the name of a candidate on the Vote Record, it would be possible to discover, in a comparatively short time, that the repeater's handwriting was that of a man who was not entitled to vote. Then the vote could be declared illegal, treated as void, and the "repeater" arrested.

Can not the repeater's vote be thrown out under the present system, when the ballots are counted election night by the inspectors? It can not.

Why not? Because the "repeater's" ballot generally presents an appearance similar to that of an honest elector's and therefore can not be distinguished from an honest elector's ballot.

What other objections have you to secret voting? It enables an elector to pretend to be on the side of Truth, Right, and Justice, three hundred and sixty-four days in the year, and then, on the three hundred and sixty-fifth (election day), because of employment, a money payment, or some other consideration, vote for rascality and corruption, without its being generally known, except to the politician who buys the vote and the vote-seller himself.

Any other objection? Yes. The fact that secret voting enables ignorant and thoughtless electors to shirk the responsibility of their votes.

How so? By affirming, when an officer elected by them has proven incompetent or dishonest, that they did not vote for said officer.

If we had an open system of voting would not the rich man intimidate the poor man by threatening the latter with loss of employment? Not if the vote-recording-system were applied to the whole United States.

Why not? Because if everyone entitled to a vote in the United States were forced to vote openly, it would soon be discovered that the employers were very much in the minority, and when the workmen learned how great the toilers' majority was (provided the laws hereinbefore described, which would prevent tax-dodging and money-cornering, were adopted) the workers would not submit to dictation on the part of a small minority whose "purchasing power" would be greatly reduced by the adoption and enforcement of the Ownership Record, Self Assessment and Homestead Exemption laws hereinbefore explained.

Have you any other reason? Yes.

What is it? Under this Perpetual Voting System, every elector would be permitted to change his vote once a week and, with this power of changing his vote, the electors could bring about the enactment of laws which would prevent the employer from intimidating his employees. Besides, when an elector could withdraw his support from any official, at the end of a week, all government officials in order to hold their "jobs" would strive to please their constituents. As doing right will only satisfy the majority of voters, when all the facts are spread before them, employers

would be forced by the government to refrain from intimidating workmen.

How do you know that the electors would stand up for their rights under open voting? For the reason that, when the Ownership-Record, Self-Assessment, Homestead Exemption, and Just Money laws are on our statute books, all enterprising and provident laborers will own enough property with "purchasing power" to enable them to exercise the courage of independent free-holders. As owners of homesteads exempt from taxation to the amount of \$2,000, and free from confiscation for the nonpayment of debts on that amount, in addition to having an opportunity to obtain employment at the Government Stations and be paid in Just Money of unvarying value, no industrious and provident citizen would in any sense be dependent on any employer, as is now the case within the domain of the U. S. Government, under which a very large per cent of our most valuable wealth is monopolized by a few individuals, who escape the payment of taxes on the full value of their property. The ability to live independently would make "liberty-lovers" out of the majority of workers who would not, when they enjoyed true liberty, fear any great capitalist. Only extraordinarily talented men, individuals who had rendered a great service to the community, would, under these laws, possess great quantities of capital, and immensely rich persons would be so comparatively few in number, that no intelligent laborer could be intimidated by any employer.

Have you any other reason for affirming that secrecy at the ballot is wrong? Yes. Under the secret ballot it cannot be easily discovered who are voting for vicious principles or bad men, and who are voting for just principles or good men, and at the same time (when the discovery is made) deal out to each credit or discredit, respectively, by the means of public opinion, as would be the case when electors vote by writing their candidate's name on a public record.

Why do you insist that a public record of every vote should be preserved under a just system of voting? Because the illegal vote, when once detected and identified, under an open method of recording votes, could be rendered nugatory by the inspector's refusing to count it; while the honest vote could be preserved and given at all times the full credit to which it is entitled. What an inspector of election did, under the open voting system, would be closely watched by the electors concerned.

What would be the effect of secret voting if it were logically carried out, all through our government, from the voter, at the ballot-box, down to a vote by the members of the U. S. Senate? It would destroy all responsibility to the people on the part of every public department so voting.

Can you make yourself clearer? Yes. If our U. S. Senate, House of Representatives, State Senate and State Assembly were to vote secretly, the sovereign people could not place, where it belonged, the responsibility for any bad national or state law which might be passed, and, as a re-

sult, the people would be hopelessly in the hands of mercenary legislators, who could sell their votes and receive the "booty" therefor, without being discovered by their constituencies. Bedlam would ensue throughout the United States if secret voting were allowed in our state and national halls of legislation, during the enactment of laws; as secret voting is now practiced at the ballot-box by our sovereign electors, when choosing their public officials.

What is the relation under our American Republic between public officials and the voters? That of servant and sovereign.

When our public servants, such as U. S. Senators, Representatives, State Senators and Assemblymen vote openly in their respective bodies, is it not cowardly and inconsistent for their masters, the sovereign electors, to vote secretly? It certainly is.

Why so? Because any people who are fit to govern themselves should never be guilty of any deed which they are ashamed to record, nor should they hesitate to acknowledge any act, good or bad, particularly, when they insist on their public servants acknowledging their votes. Many citizens never ask their servants, public or private, to do what they are afraid to do themselves.

Any other reason? Yes. No "sovereign" elector should ask any public official to vote openly without being willing to vote openly himself. Practical politicians never permit their delegates in political conventions to vote secretly; the delegates must all vote openly.

Have you any other reason for approving of open voting? Yes. Open voting and keeping a public record of every legal vote, would enable public officials to observe any change in the reasoning of the people and anticipate it, if the change were for the better.

Would not voters change their officials and their policies too frequently, if they were enjoying a system of voting under which they could recall their public servants any week? They might, when the system first went into vogue; but when their intelligence had been improved by learning how to stop VOTE-BUYING, MONEY-CORNERING and TAX-DODGING (Managing a government or controlling their public agents, in conformity with the fundamental principles of a true republican-democratic form of government, is the most important duty or function, in which a democratic-republican government's sovereign-electors, can engage.) they would discover that all officials must be left long enough in office to fairly test any particular policy. Most people are naturally conservative, and disposed to cling to old forms and customs too tenaciously. They refuse, generally, to adopt new forms and customs suddenly, and are so frequently opposed to progressive ideas and new systems, that they are themselves, too often, the greatest impediments to their own advancement. Nations have with few exceptions been disposed to avoid innovations of any kind, and, as a consequence, radical measures would not be suddenly adopted, if the people were permitted to freely exercise their own judgment.

Have you any other reason for advocating open voting? Yes.

What is it? The reason urged by Cicero, the great Roman lawyer, who nearly two thousand years ago affirmed: that in order to obtain or measure the "moral value" (character) of the votes by a consideration of the person who gave them, the voting must be open. In other words: in order to enable a good man to exercise his righteous influence on his fellow beings, the laws and candidates for which he voted should be known to all the electors; and what the bad men were voting for should also be known, that it might be opposed by the honest and righteous.

Would the people have sufficient intelligence to properly direct their public servants? The majority would, if all the facts were submitted to them. "Truth fears nothing but concealment."

How do the masses of people generally measure the efficiency of public officials? By the quantity of general prosperity the masses enjoy under said officials. When prosperity is great, under certain public officials, the disposition of the majority of voters is to retain such officials in power; and when the prosperity is small, the disposition of the majority of electors is to turn out of office the public functionaries responsible for the increased adversity or reduced prosperity.

What are the chief features of Perpetual Voting? It permits the people to exercise the "power of recall;" to introduce any law they desire to have written on their statute books; to decide what per cent of the vote shall elect to, or remove any elect-

ive official from office ; to veto or repeal any unjust law ; to nominate a candidate directly ; and to have indisputable evidence against any fraudulent voter who attempts to vote by illegally writing down any candidate's name on the Vote Record.

Would not your system of requiring an elector to write his candidate's name on a Vote Record, in each election-precinct, exclude from voting all who could not write? It would.

Would not this be unjust to the illiterate? It would not.

Why not? Because, if the few illiterate were disfranchised, the advantages derived from fair and, absolutely honest elections, as the result of writing down, by the electors, all candidates' names, would more than offset the small injury done the few illiterates. We should always strive to do the greatest good to the greatest number, without invading individual natural rights ; and any effectual means of guaranteeing the honesty of elections would invariably result in promoting the general welfare. Besides, the illiterate would then have a greater incentive to learn to write. It would be no great task for an uneducated man to practice writing, sufficiently, to enable him to write down a single candidate's name at any one time. If the people should decide that "illiterates" are naturally entitled to a vote and cannot be justly deprived thereof, a special provision in the law could be made, under which, the inspector of elections or a relative, could do the writing.

Have you any other reason for insisting that a voter must write down his candidate's name? Yes.

What is it? If the state has the right to exclude from voting all who are under twenty-one years of age, it has a similar right, when striving to promote the general welfare, to prescribe what must be the qualifications of all electors, in order to guard most effectually against election frauds of all kinds.

Am I to understand that under the Perpetual Voting System electors will be voting "all the time?" No.

What does "Perpetual" mean as used to describe Perpetual Voting? It means that when an elector writes in the proper place on the Vote Record, the name of his choice for any office, and lets the name stand unchanged, that (whenever the vote is counted, whether every week, month, six months, or every year) said elector is voting perpetually for that particular candidate.

How would this system prevent vote-buying? By permitting the elector to change his vote once in each week, the buyer would be forced to keep the vote-seller constantly supplied with money; otherwise the vote-seller would not continue supporting the vote-buyer's candidate, but would vote for an opposition candidate in order to compel the vote-buyer to provide the vote-seller with more money. As the vote-buyers could not supply sufficient money to induce all the vote-sellers, or an important part of them, to constantly vote for the candidates of the vote-buyers, the latter would abandon the vote-buying business.

LESSON XIII.

JUST TAXATION

Would you require each state to collect its two per cent annual tax or rent on all real and personal property, situated in each state? No. I would have the National government collect it, and then have each state expend its share for improvements in each state according to the number of inhabitants.

Why not expend the proceeds of the two per cent annual rent, according to the value of the real and personal property in each state, instead of according to the number of inhabitants? Because, if the money so collected were returned to the states in proportion to the value of the property in each state, the richest state would receive back the largest proportion of the two-per-cent-rent-fund; even though the owners of the property in said state were few in number. As all citizens of the nation are natural owners of equal shares in all the nation's real and personal property; such a distribution of the people's rent fund, would violate the equality of each citizen's common ownership. We should always respect and conform to the equality of all citizens in the common-ownership of all real-and-personal-property-principle. Therefore, the only just and natural law of wealth-distribution, is that which distributes the people's rent-fund according to numbers. In this manner, the thoughtless part of our citizens would be protected from the voracity and rapacity of the subtle and thoughtful part, by always being entitled to

employment at public work; no matter how extravagant or profligate they had been in the past.

Any other reason? Yes: it is only by having the Federal government collect the two per cent annual rent or tax from the owners of all real and personal property, throughout the United States, in proportion to its full value, that equality of taxation among the citizens of the United States can be carried into practice, and be founded on the equal, natural and indefeasible ownership of all citizens, in all real and personal property in the U. S.

Can you make your point clearer by illustration? Yes. An acre of soil at the corner of Wall and Broad streets, New York City, at the same price in money for which some of the property on this corner has been sold, is equivalent in value to the value of \$20,000,000 of U. S. money. An acre of some kinds of ordinary land in Rensselaer County, New York State, is equivalent in value to only the value of \$20. If a two per cent tax or rent were collected annually from each owner of these respective acres, by New York State, on said valuations, the owner of the Broad and Wall streets acre would be forced to pay into New York State's treasury, annually, \$400,000 and the Rensselaer County acre's owner would be compelled to pay into the Empire State's treasury, annually, 40 cents, making a total of \$400,000.40 paid into New York State's treasury to be used for the public benefit of the inhabitants of the Empire State, in which these two particular New York State owners would participate and share alike. Between

these two owners, there would be equality of taxation. But if a man in Logan County, Ill., owning an acre of soil equivalent in value to \$20, were to pay annually a two per cent tax or rent into Illinois' State treasury, he would not be equally taxed when compared with the New York State's acre-owners; because he would receive no benefit from the \$400,000 paid into New York State's treasury, as the Rensselaer County \$20 acre-owner would.

Would not the Illinois owner of the \$20 acre, in Logan county, obtain a benefit from a two per cent annual tax collected by the state of Illinois from a citizen who owned an acre of soil in Chicago, equivalent in value to the value of \$50,000, just as the Rensselaer county \$20 acre-owner receives a benefit from the \$400,000 paid by the Wall and Broad streets' acre-owner into New York State's treasury, provided the two per cent tax, or rent, were paid into the Illinois State treasury, to be expended in public improvements? He would, but the Illinois real and personal property owners, as well as all other citizens of the United States, are entitled to a share in the benefits to be derived from the \$400,000 as well as New York State's real and personal property owners, because the Wall and Broad streets' acre belongs in common to all the citizens of the United States, as well as to the citizens of New York State.

Have you any other reason for insisting that Illinois citizens and the citizens of all other states should share in the public benefits to be supplied by the expenditure of the \$400,000? I have.

What is it? The prodigious mountain of value

or "purchasing power," exercised by the owners of the Broad and Wall streets acre, is due in part to the wants and existence of the people residing throughout the United States, and to the useful and valuable things taken by contract from them, directly or indirectly, by the Wall and Broad streets acre-owner; and the value of the acre, should, therefore, be shared in by all the citizens of the United States, instead of by New York State's citizens alone. Consequently, in order to equalize taxation on a just basis throughout the United States, our Federal Government should collect a two per cent tax or rent on the full value of all real and personal property (with the exceptions heretofore mentioned) situated in the United States and then expend it for public improvements throughout the United States, or for whatever purpose the people of the United States, by means of their laws, should order.

What is your reason for affirming that the Federal Government should collect the two per cent rent, or tax, from the owners of all real and personal property throughout the United States? For the purpose of establishing equality of taxation on the basis of VALUE among all the owners of real and personal property throughout the United States.

Do not the owners of personal property pay taxes to their respective states on their personal property according to its full value? They do not.

Why not? Because under the personal property laws of the various states, personal property owners are supposed to be taxed on their prop-

erty, at the residence of the owners, and the owners generally, by claiming residence in states in which the personal property is or is not situated or by offsetting it with fictitious debts, evade the payment of taxes or public rent on the full value of the largest part of their personal property.

Can you give a specific example of how personal property owners evade the payment of taxes on the full value of their property? I can. In New York, N. Y., reside many owners of vast quantities of personal property, in the form of bonds, stocks, yachts, paintings, automobiles, mortgages, machinery, works of art, etc., on which is paid little or no taxes. A former New York City tax commissioner claims that the value of all personal property owned by persons actually or nominally residents of New York City, equals the value of (seventy billions of dollars) \$70,000,000,000. in United States money. The larger part of this great quantity of personal property-value is due to the fact that people residing, generally outside of New York City and without Wall street connections, are supplying the interest, earnings, dividends, and other forms of "purchasing power" collected by the owners of this enormous quantity of personal property. By permitting this vast quantity of valuable personal property to be unrecorded, there is no personal-property-list, in any office, similar to the real property-lists at present found in County Clerks' offices, which can be examined by assessors, or any properly qualified citizen, in order to discover what owners are avoiding the payment of taxes on the full value of their

personal property. In the year 1909, this vast quantity of personal property owned by actual or nominal residents of New York City escaped taxation, with the exception of \$443,000,000. If two per centum of the full value of this seventy billions of dollars in "purchasing power" were collected annually by the Federal Government and expended for the benefit of all the citizens of the United States, the injustice done citizens residing outside of New York city, by permitting said New York owners of this vast quantity of personal property to escape the payment of their public rent or taxes on so large a proportion, would be, to a great extent, removed. Were these New York owners of personal property required to pay taxes on the full value of their personal property at a two per cent rate, into the United States Treasury, the Secretary of the Treasury would have \$1,400,000,000 to expend, annually, on national public improvements, besides the additional revenue which would come from the owners of other real and personal property in the United States, which now escapes taxation, more or less, provided the Ownership Recording Law and the Self-Assessment Law, heretofore described, were written on our national statute books and enforced.

But would not this sum be too large a fund to place at the disposal of the Secretary of the Treasury of the United States? Not when he could be controlled by the system of voting herein advocated. Besides, when the laws pertaining to taxation, herein described, are enforced, the value of all real and personal property throughout the

United States will fall, which will cause a great reduction in the revenue collected, through the two-per-cent tax or rent to be paid into the National Treasury.

Would you allow personal property owners to deduct their debts from the value of their personal property, and then pay taxes or public rent on the value of the remainder? I would, if the creditors were American citizens and they were paying taxes on the full value of the debts owned by them. But if the creditors were foreigners, I would allow no such deductions, unless the debts were recorded in some Assembly District Recording Office, in the United States, and the foreign creditors were paying taxes on the full value thereof, at a two per cent rate, annually.

Would you apply the same rule to the owners of real property? I would.

In what way? By permitting real property owners, who are the legal owners, to deduct the value of the mortgages from the value of the mortgaged real property, and then paying taxes on the remainder, termed, in law, the "equity."

Would not the lenders of money charge the taxes imposed on the owners of mortgages up to the borrowers, when the latter negotiated their loans? They would try to, but when Just Money is issued in the manner heretofore described, borrowers would not be at the mercy of the private owners of money, as they now are, but would have as much to say about the borrowing of the money and the terms of the contract, as the lenders now have; and as every owner of real and personal

property would be compelled to pay taxes on the full value of his property, with the exceptions heretofore described, taxes or public rent, would be collected from the owners of valuable property, no matter what the form of the valuable property. Consequently, the schemes to shift the burden of taxes to the worker or borrower would fail and no provident worker would be forced to borrow money in order to buy a home, or be compelled to mortgage any part of his property above the amount held under the \$2,000 Homestead Exemption Law.

How could our government raise war funds, when necessary, under the system of government you are advocating? If the two per cent tax, or rent, would not supply sufficient money for war purposes, the raising of the rate to three or four per cent would. But if the aforesaid systems of voting, finance and taxation were adopted throughout the world, the reduction in value of all useful things on this earth to about ten per cent of their former value, would destroy the greater part of the "war incentive" which now exists, because of the extraordinarily high value of useful things and the difficulty experienced by an important part of the populations of all nations to procure a sufficiency of food, clothing and shelter. If every nation on this earth were to bring into use the land, houses, patents, machinery, etc., within its territory now partly or wholly held out of use. or being used for frivolous purposes, no nation would, now or in the future, seek war as an excuse for despoiling some other

nation, in order to supply its own propertyless people with a sufficiency of food, clothing or shelter, or a select few of its wealthy citizens with additional plunder. If the plan of government, herein advocated, were to be adopted throughout the world, it would not be long before every intelligent person would discover that wars are expressly precipitated for the purpose of diverting the attention of the oppressed, from their oppressors (kings, plutocrats, bureaucrats, corporations, etc.), who, in the excitement brought about by wars, shift public attention from themselves and continue their exploiting of the producers with more impunity than formerly. Armies and navies are the governmental safety-valves, which prevent the unemployed and disinherited from bursting into revolutions.

Would you require every article of merchandise, which a merchant has in his store, to be recorded on the personal property list to be kept in the Assembly District Recording office? I would. That is, the maximum number of articles of any kind kept in a merchant's store should be recorded; but it would not be necessary for a merchant to record every article going in or coming out of his store, after once having recorded the maximum number of said articles carried in stock.

Why? Because it would not do to permit tax-dodgers to have any excuse for not recording their property. The rule that all valuable property must be recorded should have no exception, only that of money.

Could a citizen buy any or several articles in a merchant's store at the price it was assessed in the Assembly District Recording office? He could not. He would be required to buy the whole stock at the amount on which the merchant had assessed his whole stock for taxation purposes. Then, the tendency, on the part of merchants, would be to record all their property for the purpose of preventing any buyer of their whole stock, from obtaining the whole stock at too low a price.

What great advantage have these New York owners of undertaxed real and personal property over citizens in other states? By the means of the enormous and partly taxed "purchasing power" exercised through their ownership of this great quantity of valuable real and personal property, they command the services of unskilled laborers, mechanics, legislators, politicians, etc., throughout the United States, to such an extent that they can corrupt, and frequently do, nearly every state and national legislature, enact or repeal laws, legalize official or unofficial dishonesty, exploit innocent toilers, seduce great numbers of unsophisticated women; or do almost anything, however degrading or unscrupulous, for which money or other kinds of "purchasing power" can compensate.

Cannot each separate state, by enacting just real and personal property laws, control and regulate the "purchasing power" of their respective property owners? It cannot. Only the National Government can exercise this function justly and effectively. The "purchasing power" of real and

personal property owners extends beyond all state lines.

Is not the "purchasing power" enjoyed by New York City's wealthy citizens due to the natural advantages of the city's location? Some of it is; but the greater part is due to the fact that New York City is a secure asylum for personal property tax-dodgers, and is also the headquarters of the chief money-owners in the United States.

Why is the metropolis a safe retreat for personal property tax-dodgers? Because the tax laws of New York State are so lax, and so negligently enforced, that personal property owners in said state are not compelled to record their personal property in any "recording office"; and for the additional reason, that, when a personal property-owner falsely states the amount of his indebtedness, that he may deduct it from the amount of the assessment of the personal property on which he is liable for taxation, the tax commissioners of New York City seldom examine under oath, the so-called creditors or alleged owners of said debts, for the purpose of discovering, whether or not, the indebtedness is fictitious.

Would the collection of the Two Per Cent rent or tax from all real and personal property owners, throughout the United States, by the Federal Government, prevent personal property owners from claiming or establishing residences in different states, in their efforts to avoid the payment of any tax or rent on their personal property? It would prevent such owners from, severally, claiming residence in cities in which they did not actually

live; because, wherever they lived in the United State, they could not avoid payment of taxes or public rent on the full value of their real and personal property and they would soon learn the futility of attempting to avoid the payment of their taxes or public rent, provided the Ownership Record and Self Assessment laws were enforced.

How do the tax commissioners of New York City learn the names of personal property owners, residing or claiming residence in New York City? By guessing at them, with more or less good faith.

What do you mean? I mean that the tax commissioners of New York City have no PUBLIC LIST of personal-property-owners similar to the real property list kept in the New York City tax office. Consequently, New York City's tax commissioners, or their employees, look through the city or business directories, and search, indifferently, for names displayed in capital letters, or the names of brokers, bankers, lawyers, merchants, etc., and after making a guess as to who may or may not have valuable personal property, send such persons legal commands, called "tentative notices," to report to the tax office and testify, under oath, as to their possession of valuable personal property.

Can you explain why owners of large quantities of personal property (men like Ludrew Tarnegie, Pohn Hockeseller, etc.) deliberately select New York City, or vicinity, as a residential haven, when desirous of avoiding the payment of their personal property taxes? Yes. Because New

York City's tax commissioners will tax such owners "by consent."

What do you mean "by consent?" When a rich personal property owner from the west or south or any state, other than New York, is dissatisfied with his personal property assessment, in his former home, he or his attorney, visits the New York City tax commissioners, and after claiming residence in New York City, agrees to pay taxes on a very insignificant assessment, to which the commissioners generally consent, on the ground that if they refused to accept the personal property owner's proposition, he would claim residence in some out-of-the-state town, in which the tax-assessors of said town would agree to assess him on a smaller amount, and New York City, as a result, would receive nothing in the form of taxes from said owner's personal property.

Have you any other reason. Yes. New York City is an excellent place for living in a large apartment house, in which access to a native-personal-property-owner, or an owner who is dodging the payment of taxes on personal property which ought to be paid in his former western or southern home, is unapproachable, to any kind of a process server. These tax-dodging-personal-property-owners can seldom be surprised while in said apartment rooms; because all persons seeking them must disclose the nature of their missions, through a telephone to the dodger or his secretary, before any of them is permitted to see the personal property owner and evader of process-service; or else the person desiring the interview must con-

vince the person hiding that his mission is not that of a messenger from outraged Justice. There are a large number of these personal property tax-dodgers who even refrain from voting in order to conceal their residences, which they use frequently, only as temporary abodes.

What would be the effect of the Ownership Recording Law and the Self Assessment Law on the various stock and produce exchanges in New York City and other large speculating centers? Were these laws enforced on the owners of all real and personal property throughout the United States, by the Federal Government collecting the Two Per Cent rent, or tax, annually, on the full value of all real and personal property, with the exceptions heretofore mentioned, and were the power of issuing money taken out of the hands of private individuals, banking corporations, etc., and placed exclusively in the hands of the U. S. Secretary of the Treasury, in the manner hereinbefore described, and with said officer controlled by the Perpetual Voting system, the power of all speculating-exchanges in these United States to monopolize or manipulate money and commodities, would be so materially reduced that such bodies could no longer be a species of parasite on the body politic of society.

Which is the most powerful trust, existing under our present government? The money or banking trust.

Why so? Because the money or banking trust is the keystone of the "trust arch" which holds to-

gether the great majority of trusts in this country.

How do you make that out? For the reason that it is the money or banking trust which dictates to and regulates all the other large monopolies, such as those of meat, coal, oil, land, iron, sugar, lumber, etc., and makes it possible for the "cornering" of such commodities to be successful.

Can you make this point clearer? Yes. When Parmour contemplates "cornering" meat, he must secure the approval of the money or banking trust; otherwise, the money trust, or its branches, would refuse to let him have the amount of money necessary to employ his agents, in buying up the most important part of all saleable meat. If the "money trust" were to condemn Parmour's financial machinations, it would not permit him to monopolize an important part of the meat supply, but would refuse to let him have the necessary amount of money with which to carry out his nefarious schemes, and as a consequence the "corner" would fail. Gavemeyer, Batten, Hockfeller, Lorgan and other great owners of partly taxed wealth, who are generally part bankers, never proceed to "corner" any commodity without the approval of the bankers. Thus it is that the "money trust," or bankers have first "insight" into almost every "cornering" scheme; and therefore can retard or promote almost every monopolistic conspiracy undertaken in this country. And it is even so with stocks.⁴ When a corporation's stock is put on the financial market, whether listed or not, the bankers by refusing to lend money on it, can substan-

tially destroy the "purchasing power" of its owners. On the other hand, the bankers, by lending money on a worthless stock, can increase its value until it advances in money price to the figure at which it is profitable for those on the "inside," with the assistance of lies and false financial reports, to sell.

Would the owners of all kinds of stocks, whether watered or not, be forced to record their stock in some Assembly District Recording office, in which the owner lived, under the penalty of forfeiting it to the first person who discovered it unrecorded? They would, if it were, or about to become valuable.

Would you, by law, force the owner to sell the stock at the valuation on which he was paying the Two Per Cent rent or tax? I would.

Would not the purchaser, in this manner, buy it too cheap from the owner? Then let the owner assess the stock at its true valuation, or a little higher, in order to protect himself. Two per centum is only two dollars on each one hundred dollars. Yet two per cent annually, on the value or "purchasing power" of all watered stock, would bring a great revenue to the federal government and serve as a deterrent to those unscrupulous promoters, who issue watered stock for the express purpose of selling it to a gullible public or extorting unjust interest and dividends from the people.

How would the Two Per Cent tax or rent effect the monopolizers of food? It would force the owners of food kept in elevator-granaries, cold storage warehouses, farmers' barns, wholesale houses,

retail stores, or elsewhere, to pay two per cent annually on the full value of the food being held for future rise in value or money-price, as well as upon the full value of the granaries, barns, cold-storage plants, etc. But the greatest benefit derived from this tax, or rent, would go to the workers, who, being enabled to obtain land and other valuable property at a low price, measured in Just Money or labor, would produce a very important part of everything they needed, and in this manner, be relieved from the necessity of buying at exorbitant prices from the (at present) tax dodging trusts or millionaires.

Do you know of any country in which this idea of buying an owner's property at the valuation in the public record, on which he is paying taxes is practiced? Yes. New Zealand employs this idea in part, when collecting taxes on land.

How so? Whenever an owner of land in New Zealand is dissatisfied with his assessment, the New Zealand government pays the owner the amount at which it is assessed, plus ten per centum of the amount, and then takes possession of the land as government property, to be sold to a new purchaser.

LESSON XIV.

STATUTE LAW CRUCIBLE

What is this "liberty" about which the members of all schools of political economy talk more or less? "Liberty is the equal, indefeasible right of all citizens to use all wealth, in their own way, and for their own individual benefit; the right of

each being limited, only, by the equal right of every other."

Has liberty any relation to the making of contracts? Yes, Liberty includes the right to make or not to make any legal contract concerning our services or our property and to have it enforced.

Can a government prevent its citizens from making contracts? Only in a limited degree.

Why so? Because citizens will make reasonable contracts in secrecy and carry them out in secrecy, even when prohibited by the government.

What is a contract? Briefly; a contract is an agreement, between two or more competent parties, to do or not to do some particular act, in consideration of something useful or valuable.

Should a truly republican government encourage the making of contracts? It should when they are just.

Why so? Because, by the means of contracts. time and labor may be economized—thus enabling the devotion of more human effort to true education and elevating amusement, on the part of all laborers.

Have you any axioms or principles with which to examine the justice of all laws relating to contracts or personal rights? I have.

What are they? They are TRUE DEMOCRACY'S fundamentals or rules and axioms evolved from the experience of the different nations on this earth, in their efforts to preserve themselves, triumph over their enemies, or promote the general welfare of humanity.

Can you further explain them? Yes. They are a set of postulates which, if strictly adhered to by a government, will promote the general welfare of its people in the greatest degree. They are as follows:

All men have an equal right to life, liberty, and the pursuit of happiness.

All men should be equal before the law.

The sovereignty of a government should be vested in the whole people to whom it of natural right belongs.

Every truly democratic government is an agent of the whole people and should exercise its power only with the consent of the governed.

In production we should strive to exercise as much economy of time and labor as possible.

Every person should have the privilege of pursuing whatever legal vocation he pleases, provided that in so doing he effects no person unjustly.

Public officials should be public servants in practice, as well as in theory.

The income a citizen receives should be in direct proportion to the service he renders the

community ; that is, if his service is large, his in-
come should be large ; and if his service is small,
his income should be small.

Every person engaged in any legal vocation is
supposed to render the community a service.

Every man should pay annually a two per cent
tax or public rent to the community, for the wealth
he is using, in proportion to the value of the wealth
he uses.

The man who economizes should be permitted
to enjoy the fruits of his economy.

Those persons best qualified for doing specific
work are the persons who should be encouraged
to do such work.

Every competent person should be required by
law to produce, at the least, as much as he con-
sumes.

All men should be considered innocent of any
criminal intent until duly proven guilty by the
law of the land.

The welfare of the individual should be sub-
ordinate to that of the community, limited by the

inalienable natural rights of the individual.

The higher ownership of all real and personal property is vested by natural right in the whole people.

That act only should be done which results in the greatest good to the greatest number, without invading individual natural rights.

The will of the majority should always prevail, when individual natural rights are not invaded.

No man should be deprived of life, liberty, or property, without due process of law.

An injury to one is the concern of all.

The benefit of all is the concern of each.

"There is only one right way of doing things; all other ways are necessarily wrong in some degree."

The State should never do for an individual that which he can do for himself.

"A truly democratic government should not engage in business of any kind, unless it can do so in a better manner and at a less cost than the

same business can be done by private enterprise.”

The safety of the people is the supreme law.

No private citizen's property should be taken from him and given to another private citizen.

“The intensity of our desires is correctly measured by the quantity of effort we are willing to expend in satisfying them.”

No special privilege should be granted any private individual.

All men should be encouraged to supply their wants with the least legal exertion.

All competent citizens should be permitted to make or not to make any legal contract.

The foregoing postulates, if rigidly observed by our law-makers, would reduce enormously the number of legislative enactments, annually inscribed on our statute books, and bring order and simplicity out of the chaotic state in which statute law is now generally known to be. These axioms and principles (the principles are found in the nature of things) if taken together, will serve as a “law-crucible” with which to test all man-made-statutes. Any law, which conflicts with any of these axioms or principles, will not fit into said crucible and should be immediately repealed or removed from our statute books; on the theory

that it is wrong, unjust or impracticable, and in the course of time will be discovered by the people to be wrong, unjust or impracticable.

Is there not much confusion among lawyers and students of political economy, in the use of the important terms necessarily employed by them in their efforts to clearly convey their various ideas? There is.

How would you obviate such confusion? By adopting the following definitions, which do not (with the exception of the definition of Price) violate any of the Rules of Definition agreed upon by proficient logicians, when engaged in reasoning about, or describing, the principles of Natural Law:

RIGHT "is that which promotes or increases human happiness."

SOVEREIGNTY "is the right to define the right and enforce the decision."

OWNERSHIP "is the right to use or utilize wealth." Individual ownership is subordinate to city-ownership; city-ownership to county-ownership; county-ownership to state ownership; and state-ownership is subordinate to national-ownership.

USEFULNESS "is that which tends to promote utility."

WEALTH "is anything that may be used or utilized."

PROPERTY "is wealth owned."

VALUE is purchasing-power. The value of a thing is the purchasing-power which the ownership of the thing confers on the owner of the

thing. Value is not an attribute; it is a relation between property and humanity. It cannot be qualified. Using the adjective—substantives, “intrinsic,” “exchange,” “money,” “market,” “book,” “rental,” etc., to qualify value is like attempting to qualify “purchasing-power.” There is but one kind of value and that is “purchasing-power.” Scarcity is an indispensable relation accompanying value.

BUSINESS is the making of contracts without sentiment.

CAPITAL is “accumulated purchasing power.”

WORTH is a specific quantity of value.

CAPITALIST is an owner of capital.

PRICE “When two things are exchanged, one for the other, each is the price of the other; or the price of a thing is that for which it will exchange.”

LABOR “is any legal effort to obtain an income.”

INCOME “is the wages of labor; it is the legal equivalent (in value or ‘purchasing-power’) for the products of the person who receives the income.”

PURCHASING POWER “is the ability to buy.”

DOLLAR is a money unit established by a government: Its most important function is that of measuring value. Its subordinate functions are those of discharging debt and facilitating exchange. It should fluctuate as little as possible in “purchasing-power.” It should be a full legal tender and be composed of a suitable material

having the least value as a commodity. It should be based on the Labor Unit.

WAGES are the return, in wealth, received by the laborer for the expenditure of his labor.

REAL WAGES "are utility."

LEGAL WAGES are the quantity of value or incoming "purchasing-power" legally received or acquired by the laborer.

UTILITY "is that which satisfies a desire, or supplies a want."

LIBERTY "is the equal indefeasible right of all citizens to use all wealth in their own way and for their own individual benefit; the right of each being limited only by the equal right of every other."

JUSTICE "is the rendering to every individual his rights, on the basis of equality of natural rights to all."

RENT "is the price paid to the owners of wealth by the users of wealth."

PRIVATE OWNERSHIP "is the right of an individual or plurality of individuals to appropriate to their own exclusive use some part of the common estate."

LAW "is the formal expression of the collective will of the people."

EDUCATION is that training of the mind and body which enables the trained citizen to promote, or assist in the promoting, of the general welfare and, to also obtain for him or herself a just share of said general welfare.

SCIENTIFIC "is that which in point of form is logically perfect and in point of substance has the character of truth."

ARISTOCRACY "is that part of society which controls legislation, subsists upon and exploits the other part."

Would the employment of the foregoing axioms and definitions, in promoting the general welfare, alone establish justice under this government or any true republic? They would not.

Why not? Because a practicable and feasible method with which to prevent vote-buying, tax-dodging and money-cornering (the three great evils under all governments) must go with them. In other words, we must use the Perpetual Voting System in learning the will of the people and carrying it out; the Ownership Record, Self-Assessment and Homestead Exemption laws in collecting the People's Rent or the two per cent Death Rate Tax annually, on the full value of all real and personal property, not exempt from taxation; and the Just Money System in measuring the value of all real and personal property, when effecting exchanges, or assessing real and personal property for the purposes of taxation or the collection of the People's Rent.

THE END.

A ten dollar prize will be awarded to any person who will compose a better definition than any of those on the preceding pages and forward it to the Society of the True Republic.

APPENDIX

JOHN TAFEE, No. 245 WEST 96th ST.

	PRESIDENT	U.S. SECY OF TREASURY	JUDGE OF SUPREME COURT	UNITED STATES SENATOR	GOVERN- OR	MAYOR	NEW LAWS		LAWS REFERRED		INCUMBENT MUST VACATE OFFICE WHEN HIS VOTE FALLS BELOW	CANDIDATE GOES INTO OFFICE WHEN HIS VOTE REACHES
							STATE LEGIS- LATURE	CON- GRESS	FOR	AGAINST		
1	<i>W. McKinley</i>					<i>P. B. McMillan</i>	3050	2038	98	72	404	604
2	<i>T. A. Pierson</i>				<i>W. Tweed</i>	<i>C. Smith</i>						
3					<i>P. B. McMillan</i>	<i>J. Ryan</i>						
4												
5												
47												
48												
49												
50												
51												
52												

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The preceding diagram represents John Taffe's page in a Vote Recording Book, to be kept in every election district office and on which Taffe can write on a single line, once in each week, the name of any qualified citizen whom he desires to occupy any respective office. The election-district-office must be open for voting purposes, within reasonable hours, every day in the year, excepting Sundays and legal holidays. On each page, under each respective office, must be fifty-two lines, one for each week in the year, on which the elector can write the name of any eligible person he may select for any respective office—one name written on each line, within any week.

At the end of each year, the voter must be assigned a new page. The name written on the lowest line written on is his choice for the office printed at the top. Should Taffe sell his vote, by agreeing to vote for P. G. Hill as his candidate for governor, on the receipt of five dollars, he can do so, by writing the name of P. G. Hill on a line under the title GOVERNOR. The next week he can vote for W. Tweed and continue voting for Tweed, by letting Tweed's name stand, without any name written underneath, until he is given five dollars a second time to write in the name of P. G. Hill. The vote-buyers haven't enough money to keep all the vote-sellers, or an important part of them, constantly supporting any particular candidate. This feature will stop vote-buying or make it ineffectual.

The elector under this system can change his candidate, at almost any time, and, in this man-

ner, directly nominate a candidate and exercise the "power of recall" over all public officials. Should a "repeater" write on Taffe's page the name of "J. Ryan" as the "repeater's" choice for mayor, the difference between the "repeater's" handwriting and Taffe's being apparent, the evidence, on which to convict the "repeater" of the crime of fraudulent voting, is easily procured. The "repeater's" vote however must not be counted.

Under "NEW LAWS" Taffe has voted to introduce into the state legislature, law No. "3050," written by himself or a friend, and, in congress, law No. "2038," also written by himself or a friend. Under "LAWS REFERRED" Taffe has exercised the "referendum" by voting for law No. "98" and against law No. "72," both of which have been referred to the voters.

The "60%," at the top of the last right hand column, is the percentage of votes cast, which Taffe thinks, is necessary to elect a candidate to office. He also believes that, when a candidate has less than "40%" of the voters supporting him, said candidate must vacate his office. According to this elector, a candidate can go into office only when "60%" of the voters record him as their choice; and said official can remain in office until his supporters fall to below "40%" of the recorded votes, in the district or division through which the candidate runs; when he must vacate the office. It is the **average** of "percentages" as expressed by the various voters, having the right to vote for a candidate, that determines

the percentage necessary to elect to or eject from office.

This system of voting embodies **direct nominations, referendum, power of recall, initiative, proportional voting**, decides whether a **plurality or majority** shall elect to, or remove from office, makes it impossible for fraudulent "thugs" to vote, without leaving indisputable evidence of their crime on the Vote Recording Book, and actually enables the people to control their public officials.

Address

THE SOCIETY OF THE TRUE REPUBLIC,

No. 149 Church Street, New York City.

PRESIDENT, Alfred Urfer, 985 Amsterdam Avenue, New York, N. Y.

VICE PRESIDENT, John M. Deithorn, No. 2203 Carson Street, Pittsburgh, Pa.

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SECRETARY, Thomas J. Sandford, 149 Church Street, New York City.

Criticism and correspondence are cordially invited. Lecturers supplied, when possible, on reasonable terms.

All readers, who approve of the voting, taxation and financial systems, herein expounded, can become honorary members of the Society of the True Republic, by forwarding their names and addresses to the secretary. No membership fee or dues are charged honorary members.

The "Laborers' Catechism," cloth-bound, postage prepaid, 50 cts. Address secretary,

No. 149 Church Street, New York City.

Mankind should devote its talent and energy to increasing the utility of wealth instead of to increasing its value.

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My Dear Reader:

The fact that you have read this book, from the beginning to the end, is conclusive proof that you have the "mathematical mind"; otherwise you would not have had sufficient tenacity of purpose to examine the just principles of Nature's Economy, herein described. It is the intelligent thinking mind that, in the last analysis, dominates the business realm of this terrestrial sphere. You can materially assist in bringing about an improved condition of affairs on this earth, by circulating among your fellow beings the knowledge of the just and feasible plan of government, herein advocated.

VOTE - BUYING, TAX - DODGING and MONEY-CORNERING are, unquestionably, the greatest governmental evils known to mankind; because they underlie nearly all other evils and are the basis of all monopoly. That they can be stopped has been conclusively proved, by demonstrating that the LIGHT of PUBLICITY, when shining on our systems of voting, of issuing money and of collecting taxes, eliminates, to a negligible quantity, these pernicious practices.

The great majority of humanity are naturally disposed to do that which is right; but their environments and education, frequently, lead them to do otherwise. By explaining to others, that there is a just and practical way out of the world's present dilemma; that the lines of evolution, herein elucidated, conform with justice and are without doubt feasible, you will assist in restoring, to many skeptical persons, their belief in the exist-

ence, throughout the universe, of a Higher Intelligence.

Jeremy Bentham, a conscientious English lawyer, wrote: "Truth is that which persents the same appearance to God, angel, man or devil."

We know that the plan of government, perceived in nature, by the deceased civil-engineer, David Reeves Smith, squares with all truth and checks, at every turn, the schemes of our talented, but unscrupulous "captains of industry." Its fundamentals, or the parts thereof, are to-day actually carried out in different countries on this earth.

Will you help the Society of the True Republic to push into mankind's mental "spot-light" the true remedy, as herein described, for the majority of humanity's misfortunes and, thereby, enable all nations to avoid ages of bitter experience, groping along in the dark, for that which the genius of David Reeves Smith has already discovered?

"Where there is no vision the people perish: but he that keepeth the law, happy is he." Proverbs, XXIX., chap. 18v.

(December, 1864, Letter to Edmund D. Taylor, of Chicago, Ill.—Van Buren, p. 404.)

My Dear Colonel Dick: I have long determined to make public the origin of the greenback and tell the world that it is one of **Dick Taylor's creations**. You have always been friendly to me and when troublous times fell upon us and my shoulders, though broad and willing, were weak, and myself surrounded by such circumstances and such people that I knew not whom to trust; then I said in my extremity, "I will send for Col. Taylor, he will know what to do." I think it was in *June, 1861*, on or about the 16th, that I did so. You came and I said to you "What can we do?" Said you: "Why, issue treasury notes, **bearing no interest**, printed on the **best banking paper**. Issue enough to pay off the army expenses and declare it legal tender." Chase thought it a hazardous thing, but we finally accomplished it and gave it to the people of this republic, the **greatest blessing they ever had**—their own paper to pay their own debts.

It is due to you, the **father** of the **present greenback**, that the people should know it, and I take great pleasure in making it known. How many times have I laughed at you telling me plainly that I was too lazy to be anything but a lawyer. Yours truly,

A. Lincoln, President.

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